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HOUSE OF COMMONS SPECIAL COMMITTEE

INVESTIGATING

COAL RESOURCES OF CANADA

PROCEEDINGS of the Special Committee appointed to investigate our present sources of supply of Anthracite and Bituminous Coal, the dependability of such sources, and whether the price paid by the Canadian Consumer is fair and reasonable; and also to inquire as to the methods of mining and delivering Canadian Coal in the best and cheapest way to all parts of the Dominion, for the purpose of giving employment to our Workmen, Freight to our Transportation Companies, etc.,

COMPRISING

The Order of Reference, Reports of the Committee presented to the House, the Evidence taken before the Committee, and the Communications and Data submitted by various Persons in the course of the Proceedings.

JANUARY—JULY SESSION, 1926

First Session of the Fifteenth Parliament of Canada

PRINTED BY ORDER OF PARLIAMENT



OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1926

HOUSE OF COMMONS SPECIAL COMMITTEE

INVESTIGATING

COAL RESOURCES OF CANADA

TABLE OF CONTENTS

	PAGE
Order of Reference.. . . .	iii
Members of the Committee.. . . .	iv
Reports of the Committee.. . . .	v
Minutes of the Proceedings.. . . .	ix
List of names of persons who gave Evidence.. . . .	xxvi
Minutes of the Evidence.. . . .	1-331
Communications and Data submitted in the course of the proceedings.. . . .	332-349
Index of the Evidence.. . . .	352
Index of Communications considered, and Data submitted relating to Evidence.. . .	360
Index, General.. . . .	362

First Session of the Parliament of Canada

PRINTED BY ORDER OF PARLIAMENT



OTTAWA
N. A. ADAMS
PRINTED TO THE ORDER OF THE PARLIAMENT OF CANADA
1922

COAL RESOURCES OF CANADA

ORDER OF REFERENCE

HOUSE OF COMMONS, CANADA,

MONDAY, March 15, 1926.

Resolved,—That a Committee composed of Members of this House be appointed to investigate our present sources of supply of Anthracite and Bituminous coal, the dependability of such sources, and whether the price paid by the Canadian consumer is fair and reasonable; and to also enquire as to the methods of mining and delivering Canadian coal in the best and cheapest way to all parts of the Dominion, for the purpose of giving employment to our workmen, freight to our transportation companies, and thus effecting a saving of money now spent for this commodity in other countries.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

THURSDAY, May 6, 1926.

Resolved,—That the Special Committee appointed on Monday, March 15th, to investigate our present sources of supply of Anthracite and Bituminous coal, the dependability of such sources, and other matters in relation thereto, be composed of the following members, viz: Messieurs Armstrong (Lambton), Bury, Campbell, Flemming, Garland (Bow River), Gershaw, Howden, Lapierre, MacDonald (Cape Breton South), McLean (Melfort), Neill and Nicholson, with power to send for persons, papers and records, and to report from time to time.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

WEDNESDAY, May 12, 1926.

Ordered,—That the name of Mr. Cantley be substituted for that of Mr. Nicholson on the said Committee.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

TUESDAY, May 25, 1926.

Ordered,—That the said Committee be given leave to print their minutes of proceedings and the evidence taken by them from day to day, for the use of the members of the Committee and of the House; and that Rule 74 in relation thereto be suspended.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

WEDNESDAY, June 9, 1926.

Ordered,—That the said Committee be given leave to sit while the House is in session.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

ORDER OF REFERENCE

House of Commons

Monday, March 15, 1920

Resolved—That a Committee composed of Members of this House be appointed to investigate our present sources of supply of Anthracite and Bituminous coal, the dependability of such sources, and whether the price paid by the Canadian consumer is fair and reasonable; and to also examine as to the methods of mining and delivering Canadian coal in the best and cheapest way to all parts of the Dominion, for the purpose of giving encouragement to the workers, brought to our transportation companies, and in effecting a saving of money now spent for the same in other countries.

Attest

ARTHUR BEAUCHESNE

Chief of the House

MEMBERS OF THE COMMITTEE

Mr. E. A. LAPIERRE, *Chairman*.

Mr. J. E. ARMSTRONG,

Mr. E. J. GARLAND,

Mr. A. U. G. BURY,

Mr. F. W. GERSHAW,

Mr. M. N. CAMPBELL,

Mr. J. P. HOWDEN,

Mr. THOMAS CANTLEY,

Mr. F. MACDONALD,

Mr. J. K. FLEMMING,

Mr. M. McLEAN,

Mr. A. W. NEILL.

ARTHUR BEAUCHESNE

Chief of the House

Tuesday, May 25, 1920

Ordered—That the said Committee be given leave to print their minutes of proceedings and the evidence taken by them from day to day, for the use of the members of the Committee and of the House; and that Rule 74 in relation thereto be suspended.

Attest

ARTHUR BEAUCHESNE

Chief of the House

Wednesday, June 9, 1920

Ordered—That the said Committee be given leave to sit while the House is in session.

Attest

ARTHUR BEAUCHESNE

Chief of the House

REPORTS OF THE COMMITTEE TO THE HOUSE

FIRST REPORT

HOUSE OF COMMONS OF CANADA,

THURSDAY, May 20, 1926.

The Special Committee appointed to investigate our sources of supply of Anthracite and Bituminous coal, and other matters relating thereto, beg leave to present the following as their

FIRST REPORT

Your Committee beg to recommend that they be given leave to print their minutes of proceedings and the evidence taken by them from day to day, for the use of the members of the Committee and of the House, and that Rule 74 in relation thereto be suspended.

All of which is respectfully submitted.

E. A. LAPIERRE,
Chairman.

SECOND REPORT

WEDNESDAY, June 9, 1926.

The Special Committee appointed to investigate our sources of supply of Anthracite and Bituminous coal, and other matters relating thereto, beg leave to present the following as their

SECOND REPORT

Your Committee beg to recommend that they be given leave to sit while the House is in session.

All of which is respectfully submitted.

E. A. LAPIERRE,
Chairman.

THIRD AND FINAL REPORT

TUESDAY, June 22, 1926.

The Special Committee appointed to investigate our present sources of supply of anthracite and bituminous coal, the dependability of such sources, and whether the price paid by the Canadian consumer is fair and reasonable; and to also enquire as to the methods of mining and delivering Canadian coal in the best and cheapest way to all parts of the Dominion, for the purpose of giving employment to our workmen, freight to our transportation companies, and thus effecting a saving of money now spent for this commodity in other countries, have the honour to present the following as their

THIRD AND FINAL REPORT

Your Committee on the 6th of May was constituted by resolution as follows:—Messieurs Armstrong (Lambton), Bury, Campbell, Flemming, Garland (Bow River), Gershaw, Howden, Lapierre, MacDonald (Cape Breton South), McLean (Melfort), Neill and Nicholson. On the 12th of May the name of Mr. Cantley was substituted for that of Mr. Nicholson.

Your Committee held fifteen meetings, examined twenty-eight witnesses for evidence, and also held a conference at which the Premiers of New Brunswick and Ontario, the Minister of Lands and Mines of New Brunswick, the Attorney General of Nova Scotia, the Attorney General of Manitoba, and the Provincial Treasurer of Ontario, attended.

In order to avoid duplication of evidence, your Committee have had before them the report of the Senate Committee, 1923, on the Fuel Supply of Canada, and also the proceedings of the House of Commons Committee on Mines and Minerals, 1923, on the Canadian Fuel supply.

Your Committee are of opinion that they have obtained valuable evidence and have collected important data. In this latter particular, they were ably assisted by the Deputy Minister of Mines, the Secretary of the Dominion Fuel Board, and the officials of the Canadian National Railways.

Your Committee are also of opinion that their investigation has covered some only of the questions referred to them. The situation was not as fully investigated as the Committee had hoped. Therefore, the evidence obtained should not be considered complete as the Committee could not obtain all the information they desired because of lack of time.

Your Committee are also of opinion that this investigation ought to be resumed and continued at as early a date as possible next session of Parliament.

Your Committee have agreed to report for the consideration of the House and the Government the following recommendations which were agreed to at their last meeting, namely:—

RECOMMENDATIONS

1. *Trial shipments of western coal.*—That trial shipments of Alberta domestic coal be made by rail and lake under the supervision of the Dominion Fuel Board in order to ascertain the possibilities of moving Alberta coal in large volume with modern loading and unloading facilities;

2. *Legislation.*—That such legislation be enacted as will encourage the production of domestic coke from Canadian coal, and to make Canada as far as possible, independent of foreign sources of supply of domestic fuel;

3. *Co-operation with the Provinces.*—That the Government invite the co-operation of the Provinces in the establishment of standards of quality, and regulations governing the shipment and marketing of coal and coke;

4. *Dominion Fuel Board.*—That the Dominion Fuel Board which has greatly assisted in the effort to solve Canada's fuel problem be encouraged to continue and enlarge its work;

5. *Duty on coal.*—That the duty of 50 cents per ton, now imposed on bituminous slack coal be extended to apply to anthracite small coal, known to the trade as "Buckwheat and Pea coals";

6. *Assistance to production of Maritime coal.*—That the Government consider the question of granting some assistance to encourage the enlargement of the markets of Maritime coal;

7. *Exemption of duty.*—That the exemption from duty on foreign coal for bunkering ocean going ships be withdrawn;

8. *Coal handling facilities.*—That the Harbour Commissions of Montreal, Toronto and Hamilton be asked to co-operate in arranging better coal handling facilities at their ports in order that dispatch may be effected in unloading and loading coal from boats entering their harbours, and that the said Harbour Commissions be asked to make substantial reductions in harbour dues on Canadian coal;

9. *Transportation cost.*—That the Railway Commission be asked to ascertain and report upon the cost of carrying coal from the Alberta mines to Port Arthur and Fort William;

10. *Assisting test and rail movement.*—That early consideration be given by the Government as to the advisability of renewing the vote in the estimates for the purpose of assisting the rail movement of Canadian coal, of which the unexpended balance was \$180,000;

11. *Coal bunkering facilities at Vancouver.*—That before sanctioning any scheme by the harbour authorities of Vancouver to erect public coal bunkering facilities, that the matter should be very carefully considered as regards what effect such might produce on the coal mines of Vancouver Island inasmuch as coal might be brought in as ballast from other countries at such a low price as would result disastrously to the local coal mines;

12. *Increasing freight haul.*—That it would be advisable to have an investigation and report made by the officials of the Canadian National Railways upon the possibility of materially increasing the average freight train load, either by improvements to the line in gradients or otherwise, or by increase in traction power, with a view to reducing the cost of the rail haul from Alberta to the head of the lakes, and also upon the cost of effecting such improvements.

Your Committee also beg to recommend that their proceedings and evidence which have been printed from day to day for the use of the Committee, and the members of the House, be revised for corrections and suitably indexed by the Clerk of the Committee, and that three hundred copies of same in English, and fifty copies in French, be printed for the use of the members of the Government, and for the use of the Dominion and Provincial Fuel Boards, and the members of the Advisory Fuel Board.

A copy of the Committee's proceedings, evidence and data is appended to this report for the information of the House.

All of which is respectfully submitted.

E. A. LAPIERRE,
Chairman.

MINUTES OF PROCEEDINGS

COMMITTEE ROOM 429,

FRIDAY, May 14th, 1926.

The Special Committee appointed to investigate our sources of supply of coal and other matters relating thereto, assembled pursuant to notice, at 11 a.m.

Members present:—Messieurs Bury, Cantley, Flemming, Gershaw, Howden, Lapierre and MacDonald (Cape Breton South)—7.

Mr. Cantley moved that Mr. Armstrong be elected as Chairman of the Committee.

Mr. Armstrong was reported absent.

Mr. Howden then moved that Mr. Bury be Vice-Chairman. The motion was declared carried.

Mr. Bury presided.

The Committee proceeded to consider the Order of Reference regarding the powers which it granted in respect to the question of transportation and generally all matters relating to coal supply which the Committee had in mind to investigate. Said Order of Reference, it was thought, contained all such powers.

Ordered,—That the clerk of the Committee obtain for each member copies of the reports and evidence of the special committee of the House of Commons for 1921 and 1923, and of the Senate, for 1923.

It was also ordered,—That the clerk write to the following companies with a view to obtaining data or evidence respecting the cost of water transportation of coal:—

The British Empire Steel Corporation, Limited, Montreal;

Mr. Aird, Canadian Import Company, Board of Trade Building, Montreal; and the general manager, Canada Steamship Lines, Ltd., Montreal.

The Committee then adjourned until Wednesday, May 19th, at 10.45.

V. CLOUTIER,
Clerk of the Committee.

WEDNESDAY, May 19th, 1926.

When the Committee met at 10.45, a quorum could not be reported, there being but four members present. The House had sat until 4.32 a.m. After some fifteen or twenty minutes waiting for a quorum, the clerk was asked to issue notices convening the Committee at 2.30 p.m.

The Committee met at 2.30 p.m., the Vice-Chairman, Mr. Bury, took the Chair.

All members of the Committee were present.

The Minister of Mines was in attendance.

Upon the Minutes of proceedings of the organization meeting of the Committee being read, their accuracy relative to the election of the Chairman was questioned.

Discussion followed.

Mr. Howden moved that the Minutes as read be approved.

There was further discussion.

Mr. Howden's motion carried on a division.

Mr. McLean then moved, seconded by Mr. Howden,—That Mr. Lapierre be Chairman of the Committee,—Motion carried.

Mr. Lapierre took the Chair.

A memorandum submitted by the Minister of Mines, suggesting investigation into transportation cost for moving coal by rail and water from the coal areas of Nova Scotia and Alberta to the provinces of Quebec and Ontario, was considered.

Discussion followed as to the scope of the investigation which the Committee had in mind to pursue; also as to witnesses the Committee might desire to examine for evidence.

Mr. Garland moved,—That a sub-committee be appointed in respect of witnesses to be heard and in respect of the scope of the Committee's investigation.

It was agreed that the Chairman appoint a sub-committee of three members, and Messrs. Armstrong, Cantley and Garland were appointed as such. Said appointment was confirmed. Mr. Garland proposed that Mr. Armstrong be the convener of this sub-committee, which was agreed to.

Upon the question of hearing evidence at the Committee's next meeting. Mr. Armstrong proposed, and it was resolved,—That the Deputy Minister of Mines be invited to appear before the Committee for evidence.

The name of Mr. Hotchkiss, secretary of the Dominion Fuel Board, was also suggested, but it was thought that Dr. Camsell would most likely occupy the whole time.

The Chairman informed the Committee that they had not been given the power to print their proceedings and the evidence taken. Mr. McLean moved.—That the Committee obtain leave to print their minutes of proceedings and the evidence taken, from day to day, for the use of the members of the Committee and of the House, and that Rule 74 in relation thereto be suspended.—Motion carried.

Ordered,—That a report be accordingly prepared recommending such leave be obtained.

The Committee then adjourned until Friday, May 21st, at 11 a.m.

V. CLOUTIER,
Clerk of the Committee.

COMMITTEE ROOM 436.

FRIDAY, May 21st, 1926.

The Committee met at 11 a.m., the Chairman, Mr. Lapierre, presiding.

Members present:—Messrs. Armstrong (Lambton), Bury, Flemming, Garland (Bow River), Gershaw, Howden, Lapierre, MacDonald (Cape Breton South), McLean (Melfort), and Neill.—10.

In attendance:—The Deputy Minister of Mines, Mr. Camsell, and the Secretary of the Dominion Fuel Board, Mr. Hotchkiss.

The Minutes of proceedings of the last meeting were read and approved.

The First Report of the Sub-committee in respect to witnesses and the scope of investigation was presented, read and considered,

Referring to the third paragraph of the said report, Mr. Armstrong suggested that the following names might be added to the list, viz.:

Mr. Wm. Buchanan, Coal and Coke, London.

Mr. J. A. Ellis, Fuel Controller for Ontario.

Mr. Thomas Foster, Mayor of Toronto, and

Mr. Thomas Draper, President and General Manager of The McMurray Asphaltum & Oil Limited, Edmonton.

After some consideration, it was moved by Mr. Armstrong,—that the names of Messrs. Buchanan, Ellis, and Foster be included in the said third paragraph,—Motion carried.

The Committee will give further consideration at their next meeting regarding the name of Mr. Draper.

Mr. Charles Camsell was called and examined in respect to coal production in Canada, classes of coal mined, coking of coal, routes of shipment, rates of freighting, etc.

In the course of the evidence given considerable data was requested to be prepared. Mr. Camsell was also asked if a copy of the map now used to illustrate his descriptions could be produced in miniature for the Committee's record. Mr. Camsell will give said requests his best attention.

Mr. CAMSELL retired.

Upon the question of evidence for the next meeting, Mr. Armstrong moved that Mr. Hotchkiss be heard,—Motion carried.

The Chairman read a letter received from Mr. Harry Aird, Director of the Canadian Import Company, Montreal.

Mr. Flemming moved that Mr. Aird be heard at the next meeting.—Motion carried.

Discussion followed as to whether the western and eastern situations in respect to supply of coal, etc., should be considered separately; and if so, should not the western situation receive first consideration.

The discussion continuing, Mr. Garland gave notice that he would move at the next meeting as to the advisability of investigating the western situation first.

The Committee then adjourned until Tuesday, May 25th, at 11.

V. CLOUTIER,

Clerk of the Committee.

COMMITTEE ROOM 436,

TUESDAY, May 25th, 1926.

The Committee met at 11 a.m., the Chairman, Mr. Lapierre, presiding.

Members present:—Messrs. Armstrong (Lambton), Bury, Flemming, Gershaw, Howden, Lapierre, and McLean (Melfort).

In attendance:—Mr. Harry Aird, representing the Canadian Import Company, Montreal, and Mr. C. P. Hotchkiss, Secretary of the Dominion Fuel Board.

The Minutes of the last meeting were read, and approved with correction made in the fifth paragraph thereof in respect of Mr. Thomas Draper.

Upon the question of witnesses to be called, Mr. Armstrong desired the Committee to consider the importance of the evidence which might be obtained from Mr. Thomas Draper upon such phases of our investigation as for instance, the unloading and delivery of coal, the equipment used, etc. The Committee agreed to have Mr. Draper appear at some future meeting, but no date could be fixed at present for his examination.

On motion of Mr. Bury, the clerk was instructed that, when notifying witnesses for their appearance before the Committee, they be advised as to the particular information which the Committee desire so that data could be prepared by them.

The Committee proceeded to the consideration of evidence. Mr. Harry Aird representing the Canadian Import Company, of Montreal, was called and sworn.

Mr. Aird was examined regarding the moving of coal from Sydney, unloading at Montreal, the handling, distribution of same, cost of reshipment to ports of eastern Ontario, etc.

Upon the order of business for next meeting, it was resolved on motion of Mr. Flemming that Mr. Cameron, secretary-treasurer of the British Empire Steel Corporation Limited, or some other representative of said Company, be heard; also Mr. Hotchkiss of the Dominion Fuel Board.

The Committee then adjourned until Friday, at 11.

V. CLOUTIER,

Clerk of the Committee.

COMMITTEE ROOM 436,

FRIDAY, May 28, 1926.

The Special Committee investigating coal resources of Canada, etc., met at 11.00 a.m., the Chairman, Mr. Lapierre, presiding.

Members present: Messieurs Armstrong (Lambton), Bury, Cantley, Flemming, Garland (Bow River), Gershaw, Howden, Lapierre, McLean (Melfort), and Neill.

In attendance: Mr. Hotchkiss of the Dominion Fuel Board.

The Minutes of the last meeting were read and approved.

Four communications were read. These were replies received since the last meeting when the Committee had agreed upon certain evidence to be given before them. The communications read were from The British Empire Steel Corporation Limited, the Fuel Controller for Ontario, the Mayor of the City of Toronto, and Mr. Wm. Buchanan of London.

Mr. Cantley moved, seconded by Mr. Armstrong,—That the fuel agents of the Canadian Pacific Railway Company and the Canadian National Railways be asked to appear before the Committee and bring with them detailed information as to tonnage of coal used on their roads, and to give some explanation as to why they use one coal or use another, having reference to Canadian, British, and American coals. Motion agreed to.

Mr. Garland moved that Mr. Ellis, Fuel Controller for Ontario, be heard next Friday,—Motion agreed to.

Mr. Armstrong moved that Mr. Buchanan of London be asked to appear before the Committee next Friday,—Motion agreed to.

The Clerk was instructed to communicate with Mr. Francis W. Gray of the British Empire Steel Corporation Limited and also with Mr. J. A. Creighton, Coal Merchant, of Owen Sound. Also that he endeavour to obtain copies of the Report of the Alberta Coal Commission, 1925, and copies of the Report of the Provincial Royal Commission respecting the Coal industry of Nova Scotia.

The Committee then proceeded to hear the evidence of Mr. C. P. Hotchkiss, Secretary of the Dominion Fuel Board, who was called and sworn.

Mr. Hotchkiss was examined relative to the activities of the Fuel Board, also upon the situation, generally, in respect to supply of coal for industrial purposes.

Mr. Hotchkiss will appear at some future meeting regarding the anthracite coal situation.

The Committee then adjourned until next Tuesday at 11.00.

V. CLOUTIER,
Clerk of the Committee.

COMMITTEE ROOM 436,
TUESDAY, June 1, 1926.

The Special Committee investigating coal resources of Canada, etc., met at 11.00 a.m., the Chairman, Mr. Lapierre, presiding.

Members present:—Messrs. Armstrong (Lambton), Bury, Cantley, Fleming, Gershaw, Howden, Lapierre, and Neill.

In attendance:—Mr. E. Fred McCourt, President, Industrial Coal, Co., Montreal; Mr. R. C. Vaughan, Vice-President, Canadian National Railways; Mr. George H. Jenkins, General Fuel Agent, C.N.R., and Mr. Hotchkiss, Dominion Fuel Board.

The Minutes of the last meeting were read and approved.

Four communications were read, all relating to evidence to be given before the Committee. Said communications were received from:—

Mr. Vaughan in reply to letter of 29th May;

Mr. Britt of the Canadian Pacific Railway;

Mr. Draper of Edmonton, stating that he could arrange to be in Ottawa on Wednesday, June 9th; and

Mr. Godman of the British Empire Steel Corporation Limited.

The Committee considered Mr. Draper's letter.

Mr. Armstrong moved that Mr. Draper be heard for evidence upon his arrival June 9th.

Motion carried.

The Clerk was instructed to communicate further respecting witnesses of the British Empire Steel Corporation, for Friday's meeting.

The Committee then proceeded to consider the evidence given by Mr. McCourt who was called and sworn.

Mr. McCourt was examined relative to the importing of Scotch coal by his Company, transportation rates, distribution, etc.

Mr. McCourt retired.

Mr. Vaughan was called and sworn.

Mr. Vaughan was examined relative to Canadian and American coal used by the Canadian National Railways, quantity of same used in the three zones described with the aid of a map.

Mr. Vaughan very kindly donated to the Committee a bound copy of Green's Marine Directory of the Great Lakes.

Mr. Vaughan retired.

The Committee then adjourned until to-morrow.

V. CLOUTIER,
Clerk of the Committee.

COMMITTEE ROOM 436, .

WEDNESDAY, June 2, 1926.

The Special Committee investigating coal resources of Canada, etc., met at 11.00 a.m., the Chairman, Mr. Lapierre, presiding.

Members present:—Messrs. Armstrong (Lambton), Bury, Cantley, Fleming, Gershaw, Howden, Lapierre, MacDonald (Cape Breton South), and Neill.

In attendance:—Mr. Norman Guthrie, representing the General Manager of the Canada Steamship Lines, Mr. Thomas Britt, General Fuel Agent, Canadian Pacific Railway and Mr. James Dougall representing the Canadian Pacific Railway Company, also Mr. Hotchkiss.

The Minutes of last meeting were read and approved.

Mr. Cantley submitted the question of having the Premiers of the provinces of Nova Scotia, Quebec, Ontario and Alberta appear before the Committee at an early date. After consideration thereof, the Chairman submitted that said question might be dealt with under the order of business for next meetings, which was agreed to.

Mr. Guthrie, having obtained leave to address the Chair, informed the Committee of a letter he had received from the General Manager of the Canada Steamship Lines expressing his regrets that no earlier attention had been given to the Committee's invitation to assist in the present investigation.

Mr. Cantley moved that the Canada Steamship Lines be advised to have their representative appear next Tuesday.

Motion carried.

The Committee then proceeded to consider the evidence given by Mr. Britt and Mr. Dougall who, after being sworn, were examined relative to quantity and class of coal used by the Canadian Pacific Railway on all their lines, comparative costs of eastern and western coal, etc.

Witness Mr. Britt was discharged.

Witness Mr. Dougall will continue his evidence next Tuesday.

Mr. Bury moved that Mr. Hungerford, Vice-President of the Canadian National Railways be invited for next Tuesday.

Motion carried.

The Committee then adjourned until Friday, June 4th, at 11.00 a.m.

V. CLOUTIER,

Clerk of the Committee.

COMMITTEE ROOM, 436,

FRIDAY, June 4, 1926.

The Special Committee investigating coal resources of Canada, etc., met at 11.00 a.m., the Chairman, Mr. Lapierre, presiding.

Members present:—Messrs. Armstrong (Lambton), Bury, Cantley, Garland (Bow River), Gershaw, Howden, Lapierre, MacDonald (Cape Breton South), McLean (Melfort), and Neill.

In attendance:—Mr. Roy M. Wolvin, President, British Empire Steel Corporation Limited, Mr. Jas. A. Ellis, Fuel Controller for Ontario, and Mr. Wm. Buchanan, Coal and Coke Merchant, London.

The Minutes of the last meeting were read and approved.

A communication received from Mr. F. W. Gray of the British Empire Steel Corporation Limited, relative to the economic importance of the modern coke-oven to eastern Canada, and the full recovery of valuable by-products in the process of manufacture of domestic coke, etc., was read and considered.

The Committee then proceeded to consider the evidence given by Mr. Wolvin who, after being sworn, was examined relative to available coal from Nova Scotia areas, qualities of same, costs, distribution, etc.

Witness Mr. Wolvin retired.

Mr. Buchanan was called, sworn and examined relative to quantity, quality and distribution of Alberta coal which he received in box-car lots, costs at pit-mouth, transportation and distribution thereof.

Mr. Buchanan in the course of the evidence he gave, exhibited a lump of Alberta coal taken from the upper seam of one of the Drumheller mines nearly two years ago.

Witness Mr. Buchanan retired.

The Committee adjourned at 1.20 until Tuesday June 8th, at 11.00.

V. CLOUTIER,

Clerk of the Committee.

MR. ROY M. WOLVIN'S EVIDENCE, JUNE 4, 1926

The Committee have had under consideration, at two of their meetings, the changes which Mr. Wolvin indicated in his evidence for correction. On Friday, June 18, by resolution of the Committee, the Clerk was instructed to re-print 500 copies of No. 5 proceedings and evidence to include the said corrections. Of the more substantial changes made, the corrections indicated are taken as at pages and lines of the first edition as follows:—

- Page 110, line 42—Substitute the words thirty to forty cents for “about forty cents”.
- Page 111, line 37—Substitute \$1.40 for “forty cents”.
- Page 112, line 14—Substitute \$500,000 for “\$300,000”.
- Page 112, line 17—Substitute \$800,000 for “\$400,000”.
- Page 106, line 19—Substitute roof for “routs”.
- Page 106, line 38—Substitute They paid the railroads for “We paid”.
- Page 106, line 47—Substitute our for “your”.
- Page 107, line 4—Substitute through for “to” before the word “Montreal”.
- Page 107, line 11—Substitute Dominion Coal Company for “Empire Steel Corporation”.
- Page 108, line 5—Substitute Toronto for “Montreal”.
- Page 108, line 19—Substitute Sydney for “Montreal”.
- Page 108, line 39—Substitute permit for “prevent”.
- Page 109, line 45—Strike out the word “not”.
- Page 109, line 47—Insert before the word “There” the words At present in Montreal \$2 to \$4 per ton.
- Page 110, line 10—Substitute coke for “ovens for coking”.
- Page 110, line 18—Insert the words coke oven before the word “business”.
- Page 111, line 16—Substitute carriage for “loading”.
- Page 111, line 17—Substitute the smaller for “those”.
- Page 111, line 28—Substitute conveyors for “the barge”.
- Page 111, line 45—Substitute trimming for “trucking”.
- Page 111, line 47—Substitute upkeep of for “running into”.
- Page 112, line 15—Strike out “and dock” and add, without including cost of property or dock.
- Page 113, line 5—Insert the word electric before “locomotive”.
- Page 113, line 6—Substitute wire for “way”.
- Page 113, line 7—Substitute gaseous for “caches”.
- Page 113, line 38—Insert non- after six per cent, and strike out the word “non” before “producers”.
- Page 114, lines 6, 7—Strike out the words “the whole of” and insert eastern.
- Page 114, line 10—Substitute standardize for “secure”.
- Page 114, line 13—Substitute grading for “buying”.
- Page 116, line 18—Substitute bank for “back”.
- Page 117, line 28—After “\$3.60” insert the words average cost at pit-mouth.
- Page 120, line 14—Substitute Coke ovens for “Another oven”.
- Page 120, line 19—Strike out the word “broken”.
- Page 120, line 30—Substitute outlet for “around”.
- Page 122, line 4—Substitute principals for “principal dealers”.
- Page 122, line 11—Substitute ours they would not be doing business for “our they would be doing business too”.
- Page 122, line 19—Substitute quality for “quantity”.

COMMITTEE ROOM 436,
TUESDAY, June 8, 1926.

The Special Committee investigating coal resources of Canada, etc., met at 11 a.m., the Chairman, Mr. Lapierre, presiding.

Members present:—Messrs. Armstrong (Lambton), Bury, Cantley, Garland (Bow River), Gershaw, Howden, Lapierre, MacDonald (Cape Breton South), and McLean (Melfort).

In attendance:—Mr. James Dougall of the Canadian Pacific Railway, Mr. David Crombie, representing Mr. Hungerford, Vice-President, Canadian National Railways, Mr. C. S. Gzowski, Chief Engineer of Construction, Mr. James Pringle, Asst. General Superintendent of Transportation, and Mr. I. V. Smart, Operating Engineer, all of the Canadian National Railways, also Mr. F. T. Cuttle, representing the Canada Steamship Lines.

The Minutes of the last meeting were read and approved.

The Clerk explained that he had unintentionally omitted to enter in the minutes a request made by Mr. A. W. Neil, M.P., that his evidence be heard in regard to the coal situation in British Columbia. Mr. Neill's evidence will be heard on Wednesday.

A communication and statistics supplementing the evidence given by Mr. R. C. Vaughan on June 1st, was ordered to be printed in the record.

The Chairman informed the Committee that he had conveyed to the Hon. E. N. Rhodes, Premier of the Province of Nova Scotia, the Committee's wishes that he be heard in conference with the Committee upon the coal situation of his province.

After some discussion, Mr. Armstrong moved that invitations be likewise extended to the Hon. G. H. Ferguson, and also to the other Premiers of the Provinces of Canada who were in Conference at the present time in Ottawa.—Motion carried.

The Committee then proceeded to consider the evidence given by the gentlemen above mentioned in attendance, who were sworn and examined upon various phases of transportation of coal by rail and water, rates of freight, tonnage hauls, etc.

In the course of his evidence, Mr. Gzowski submitted a table showing freight operating results of the Canadian National Railways, which was ordered printed in the record.

The witnesses, with the exception of Mr. Cuttle, who will be further examined to-morrow, were discharged.

On motion of Mr. McLean, it was ordered that the Intercolonial Coal Company of Westville, N.S., and the Bras d'Or Coal Company of Little Bras d'Or be advised to prepare data and be prepared to give evidence before the Committee upon their operations as coal producers and shippers when advised to come to Ottawa.

The Committee then adjourned until to-morrow.

V. CLOUTIER,
Clerk of Committee.

Morning Sitting

COMMITTEE ROOM 436,

WEDNESDAY, June 9, 1926.

The Special Committee investigating coal resources of Canada, etc., met at 11 a.m., the Chairman, Mr. Lapierre, presiding.

Members present.—Messrs. Armstrong (Lambton), Bury, Cantley, Fleming, Garland (Bow River), Gershaw, Howden, Lapierre, MacDonald (Cape Breton South), McLean (Melfort), and Neill.

In attendance.—Mr. F. T. Cuttle, representing Canada Steamship Lines; Mr. Thomas Draper, President and Manager of the McMurray Asphaltum and Oils Limited, Edmonton; Mr. F. M. Wattles, Vice-President, Century Coal Company Limited, Montreal.

The Minutes of the last meeting were read and approved.

A communication received from the President of the British Empire Steel Corporation relative to errata indicated in copy of evidence given on June 4th was considered. After some consideration, the Chairman and the clerk were requested to examine the changes requested to be made.

The Committee then proceeded to consider the evidence given by Mr. Cuttle who was further examined relative to coal movements on the lakes, possible reduction of freight rates, etc.

The witness was discharged.

Mr. A. W. Neill, M.P., was called and examined relative to the coal situation in the Province of British Columbia.

Mr. McLean moved that the Committee obtain leave to sit while the House is in session,—Motion carried.

The Committee at one o'clock rose to sit again at three, to meet the Premiers of certain Provinces of Canada in conference.

Afternoon Sitting

The Committee met at three o'clock, the Chairman, Mr. Lapierre, presiding.

Members who attended the morning sitting were all present.

In attendance at the Conference.—Hon. J. B. M. Baxter, Premier and Hon. Chas. D. Richards, Minister of Lands and Mines, New Brunswick; Hon. G. H. Ferguson, Premier and Hon. Wm. H. Price, Treasurer, Ontario; Hon. J. C. Douglas, Attorney-General of Nova Scotia, and Hon. R. W. Craig, Attorney-General of Manitoba.

In Conference assembled the Committee with the above-named Premiers and Ministers considered the resources of supply of coal in Canada, and the ways and means to bring into central Canada our own coal products from the mining areas of eastern and western Canada.

The Conference having terminated at 5 p.m., the Committee resumed the consideration of evidence.

Mr. Wattles was called and sworn. The witness was examined relative to freight rates in the shipment of coal from United States ports to Canadian ports, etc.

The witness was discharged.

The Committee then adjourned until Thursday, at 3.00 p.m.

V. CLOUTIER,
Clerk of the Committee.

COMMITTEE ROOM 436,
THURSDAY, June 10, 1926.

The Special Committee investigating coal resources of Canada, etc., met at 3 p.m., the Chairman, Mr. Lapierre, presiding.

Members present: Messrs. Armstrong (Lambton), Bury, Cantley, Flemming, Garland (Bow River), Gershaw, Howden, Lapierre, MacDonald (Cape Breton South), and McLean (Melfort).

In attendance: Mr. Thomas Draper, President and General Manager of the McMurray Asphaltum & Oils Limited, Edmonton, Alberta.

The Minutes of the last meeting were read and approved.

The Clerk reported upon the communications he had received. After consideration thereof, Mr. Armstrong moved that they be incorporated in the records,—(see Minutes of Evidence herein)—Motion carried.

Mr. Howden moved that Mr. P. V. Byrnes, President of the Hamilton By-Products Coke Ovens, Limited, be requested to appear and give evidence before the Committee next Tuesday,—Motion carried.

Mr. Armstrong moved that Mr. A. J. Creighton, Coal Merchant, of Owen Sound, be requested to appear and give evidence before the Committee next Tuesday,—Motion carried.

Mr. Armstrong moved that the Premier of Alberta, the Hon. Mr. Brownlee, be communicated with by telegram as to certain information the Committee desired regarding price of coal at pit-mouth, etc. Mr. Armstrong read copy of a telegram which he believed should be sent to Mr. Brownlee. Discussion followed in which Mr. Bury, Mr. Garland, Mr. Flemming, Mr. Howden, and the Chairman took part.

Further consideration will be given to the question to-morrow.

The Committee then proceeded to consider the evidence of Mr. Draper, who, after being sworn, was examined relative to the most modern equipment now in use, at some of the shipping ports of the United States, for unloading and loading coal, iron ore, etc.

In the course of his evidence, Mr. Draper exhibited several large size photo plates of dumpers, or tippers, and other machinery in operation.

Mr. Draper kindly donated the said photo plates to the Committee, and same were ordered filed as exhibits.

The Witness retired.

The Committee then adjourned until to-morrow at 11.00.

V. CLOUTIER,
Clerk of the Committee.

COMMITTEE ROOM 436,
FRIDAY, June 11, 1926.

The Special Committee investigating coal resources of Canada, etc., met at 11 a.m., the Chairman, Mr. Lapierre, presiding.

Members present:—Messrs. Armstrong (Lambton), Bury, Flemming, Garland (Bow River), Howden, Lapierre, MacDonald (Cape Breton South), McLean (Melfort), and Neill.

In attendance:—Mr. J. A. Ellis, Fuel Controller for Ontario, and Mr. W. J. Halpin, Vice-President of the John Heney & Son, Limited, Ottawa.

The Minutes of the last meeting were read and approved.

Mr. Bury, Vice-Chairman, directed the Clerk's attention to corrections to be made in the minutes of evidence, as follows:—At page 200, in all but last line, the word "Cantley" should be Camsell; at pages 212 and 213, the name "Kershaw" should be Gershaw; at page 214, line 18, insert after the word "whole" the words one-third.

The Clerk, in his printer's copy of the minutes of proceedings of Thursday, June 10, inadvertently emitted to write after line twenty-four thereof, the following paragraph:—

The Committee, upon the suggestion of the Chairman, also considered the advisability of securing for evidence to be given before the Committee, the Honourable G. S. Harrington, Minister of Public Works and Mines of Nova Scotia, also Mr. John T. Stirling, Chief Inspector of Mines of Alberta, and also for further examination, Mr. David Crombie of the C.N.R. This question will be further considered under the order of Business for next Meetings.

The Committee upon resuming consideration of definite information which Mr. Armstrong had proposed at the last meeting to obtain from the Honourable the Premier of Alberta, agreed to the following questions to be sent him by telegram on the motion of Mr. Armstrong which was seconded by Mr. Garland (Bow River):—

1. What is the lowest price that mine owners in Alberta will load 500,000 tons best grade of Alberta domestic coal on cars at the mines, for shipment to Ontario?
2. Will the Alberta Government cancel or reduce Government dues on all coal shipped to Ontario, and if a reduction is made, to what extent?
3. Will the Alberta government be responsible for the examining and selecting of all shipments of coal to Ontario?

The Committee then proceeded to consider the evidence given by Mr. Ellis and Mr. Halpin, who, after being sworn were examined by the Chairman, Mr. Armstrong, Mr. Bury, Mr. Garland, Mr. Flemming, Mr. Howden, Mr. McDonald, Mr. McLean and Mr. Neill. (See evidence herein).

In the course of the evidence given by Mr. Ellis, certain data was ordered to be incorporated in the record.

Mr. Halpin was examined upon the classes of coal his Company handled, costs of distribution, etc. A letter dated June 7, setting forth the comparative tonnage of each class of coal handled during the year ended March 31, 1926, was ordered to be incorporated in the record.

Witnesses Mr. Ellis and Mr. Halpin were discharged.

The Committee then adjourned until Tuesday, June 15, at 3 o'clock p.m.

V. CLOUTIER,
Clerk of the Committee.

COMMITTEE ROOM 436,

TUESDAY, June 15, 1926.

The Special Committee investigating coal resources of Canada, etc., had been convened for 3 o'clock. At 3.10, the Chairman, Mr. Lapierre, informed the witnesses in attendance that the members of the Committee were being unavoidably detained in the Chamber owing to a very important resolution which was under consideration in the House.

As Sir Thomas Tait, one of the witnesses to be examined for evidence, had to leave for Montreal before the members of the Committee could assemble, leave was given him by the Chairman to dictate his statement to the official stenographer. This step to secure Sir Thomas Tait's statement was also approved by Mr. Flemming and Mr. Cantley. It was agreed that said statement would be signed by the witness and that the Committee would consider it as sworn testimony. (See Minutes of Evidence herein.)

The members did not return from the Chamber.

The witnesses present namely: Messrs. A. J. Creighton, R. H. McWilliams, George B. Burchell, and F. C. Cornell, who were to have given evidence were advised that the Committee would meet to-morrow, at 2.30 p.m.

WEDNESDAY, June 16, 1926.

The Committee met at 2.30 p.m., the Chairman, Mr. Lapierre, presiding:

Members present: Messrs. Armstrong (Lambton), Bury, Cantley, Flemming, Howden, Lapierre, MacDonald (Cape Breton South), and Neill.

In attendance:—Messrs. George B. Burchell, Managing Director, Bras d'Or Coal Mining Company, Hon. G. S. Harrington, Minister, and Norman McKenzie, Deputy Minister of Public Works and Mines of Nova Scotia, F. C. Cornell, Traffic Manager of the Maritime Provinces Committee, Moncton, A. J. Creighton, Coal Merchant, and R. H. McWilliams, Stone Quarry, of Owen Sound, Ontario.

The Minutes of the last meeting were read and approved.

Additional data to the evidence of Mr. Crombie of the C.N.R., also a statement of operations received from Mr. Maxwell, General Manager of the Intercolonial Coal Mining Company of Nova Scotia, on motion of Mr. Howden, were ordered incorporated in the record.

The Committee proceeded to consider the evidence of Mr. Burchell who, after being sworn, was examined relative to the operations of the Bras d'Or Coal Mining Company.

In the course of his evidence the witness produced a statement showing shipments of coal, freight rates, etc., which was ordered printed in the record. The witness retired.

Mr. Cantley moved that Mr. Harrington, Mr. McKenzie and Mr. Cornell be heard.—Motion carried.

Hon. G. S. Harrington and Mr. McKenzie were called and sworn. The witnesses were examined relative to the coal situation generally, in Nova Scotia, also suggestions were considered in respect to ways and means to secure further expansion of present operations, shipping and co-operation on the part of the Federal Government by way of legislation.

The witnesses retired.

Mr. Cornell, after being sworn, was examined chiefly as to freight rates from mining areas in Canada to centres of population in Quebec and Ontario.

The witness retired.

Mr. Armstrong moved that Mr. Creighton and Mr. McWilliams be heard.—
Motion carried.

Mr. Creighton and Mr. McWilliams were called and sworn. The witnesses were examined relative to equipment for loading and unloading, also regarding freight rates from shipping points in United States to Owen Sound. The possibility of lower freight rates from the mines of Alberta to the head of the Great Lakes, thence by water to Owen Sound was also considered.

In the course of the evidence given samples of briquettes were produced.

The witnesses retired.

Mr. Cantley moved that a Sub-committee composed of the Chairman, the Vice-Chairman and Mr. MacDonald prepare the report to be presented to the House, and that said report be considered at the Committee's next meeting.

Motion carried.

The Committee then adjourned until Friday, June 18, at 3.

V. CLOUTIER,
Clerk of the Committee.

COMMITTEE ROOM 436,

FRIDAY, June 18, 1926.

The Special Committee investigating coal resources of Canada, etc., met at 3 p.m., the Chairman, Mr. Lapierre, presiding.

Members present:—Messrs. Armstrong (Lambton), Bury, Cantley, Fleming, Howden, Lapierre, MacDonald (Cape Breton South), and Neill.

In attendance:—Dr. Camsell, Deputy Minister of Mines, Mr. C. P. Hotchkiss, Secretary, Dominion Fuel Board, Mr. L. H. Jelliff, M.P., and Mr. G. G. Coote, M.P.

The Minutes of the last meeting were read and approved.

Mr. Cantley moved, seconded by Mr. Howden—That Mr. Harrington, Mr. McKenzie, and Mr. Cornell, who gave evidence on Wednesday, 16th instant, be paid their railway fare, travelling expenses, etc., that are usually paid to witnesses giving evidence before the Committee.

Motion carried.

Mr. MacDonald moved, seconded by Mr. Bury—That 500 copies of No. 5 proceedings and evidence, with the corrections indicated by Mr. Wolvin therein be printed for the use of the Committee and of the House.

Motion carried.

Mr. Cantley informed the Committee that he had obtained information from the Department of External Affairs, British Embassy, Washington, in reply to a telegram sent by Mr. Cornell relating to regulations governing the entry in bond of Canadian coal in United States for the bunkering of steamships, etc.

Discussion followed. (See telegrams in Minutes of Evidence herein).

Mr. Armstrong moved, seconded by Mr. Flemming—That the Chairman telegraph the Premier of Alberta asking him to reply to the Committee's previous telegram, as the Committee were about to present their report to the House.

Motion carried.

The Chairman informed the Committee that he had received from the Deputy Minister of Mines, memoranda covering the requests made by the Committee on May 21st. The covering letter reads as follows:—

OTTAWA, June 11, 1926.

In accordance with the request of your Committee, I am enclosing herewith a series of memoranda referring to the questions asked me when I was before the Committee on May 21st.

These memoranda cover the following subjects. (See Addenda herein).

I trust that these memoranda will serve to answer the enquiries of the Committee.

Yours faithfully,

CHARLES CAMSELL,
Deputy Minister.

Dr. Camsell was re-called and further examined relative to contents of the memoranda he presented, also in reference to semi-anthracite coal in British Columbia.

Mr. Jelliff, M.P., and Mr. Coote, M.P., were given leave to address the Committee in respect to quality of coal in certain mines of Alberta.

On motion of Mr. Armstrong, it was resolved that Mr. Jelliff and Mr. Coote be examined for evidence.

Mr. Hotchkiss was re-called and examined in reference to Canadian coal going to the United States for bunkering, also in regard to domestic coal and coking plants.

The Committee then adjourned to meet at call of the Chair.

V. CLOUTIER,
Clerk of the Committee.

COMMITTEE ROOM 436,
MONDAY, June 21, 1926.

The Special Committee investigating coal resources of Canada, etc., met at 8.30 p.m., the Chairman, Mr. Lapierre, presiding.

Members present:—Messrs. Armstrong (Lambton), Bury, Cantley, Garland (Bow River), Gershaw, Howden, Lapierre, MacDonald (Cape Breton South), McLean (Melfort), and Neill.

In attendance:—Mr. Hotchkiss, Secretary of the Dominion Fuel Board.

The Minutes of the last meeting were read and approved.

The Chairman informed the Committee that on the 19th instant he had wired the following Day Letter to the Premier of Alberta, Mr. Brownlee:—

"DEAR SIR,—No reply to my telegram June eleventh *re* information desired by Committee has been received. I then wired you as follows: By resolution to-day's meeting, Committee investigating coal resources of Canada request me ask you kindly reply information as follows:—

1. What is the lowest price mine owners Alberta will load five hundred thousand tons best grade Alberta domestic coal on cars at mines for shipment to Ontario?

2. Will Alberta Government cancel or reduce Government dues on all coal shipped Ontario? If reduction of dues, to what extent?

3. Will Alberta Government be responsible for examining and selecting all coal shipments to Ontario?"

The Chairman further informed the Committee that he had this day (June 21) received the following reply to said Day Letter:—

EDMONTON, ALBERTA, June 21, 1926.

E. A. Lapierre. Replying your wires eleventh and nineteenth. Question one, present prices are, Edmonton, Pembina and Wabamun, three inches lump, three seventy-five, Egg, three twenty-five stop. Lethbridge, Egg, four inch by two and one-half inch, three seventy-five stop. Coal Spur, lump all over one inch, four dollars stop. Drumheller, lump, three seventy-five, Egg, three twenty-five stop. Am trying to arrange meeting operators to see if they will agree to reduce these prices stop. Question two, only tax enforced on Alberta coal by Provincial Government is five cents per ton stop. This should not be material consideration especially as Government is asked to supervise shipment stop. Question three, Provincial Government quite willing to protect interests of coal consumers in Ontario to extent of examining all coal shipped from this Province.

235P

J. E. BROWNLEE.

Having expressed their pleasure for the reply received from the Premier of Alberta and having given further consideration to the contents of the said telegram, the Committee proceeded to consider Section 316, Special Provisions, United States Tariff Act (Dumping). After consideration thereof, the Clerk was instructed to incorporate said Section 316 in the Record (*see* Addenda herein).

The Sub-Committee named on Wednesday, June 16th, and composed of the Chairman, Mr. Lapierre, the Vice-Chairman, Mr. Bury, and Mr. MacDonald (Cape Breton South) to prepare a draft copy of the Report for the House, submitted same for consideration and approval, as follows, namely:—

Paragraphs 1 to 5 inclusive were read, considered and approved.

Paragraphs 6 and 7, considered, amended and adopted as amended.

Paragraph relating to the recommendation for the printing of three hundred copies in English and fifty copies in French of the proceedings and evidence, etc., considered and approved.

The Committee then proceeded to consider the recommendations numbering 1 to 12 inclusive, under the various head lines set forth in the draft copy of the report, as follows, namely:—

1. Trial shipments of western coal.
2. Legislation.
3. Co-operation with the Provinces.
4. Dominion Fuel Board.

5. Duty on coal.
6. Assistance to production of Maritime coal.
7. Exemption of duty.
8. Coal handling facilities.
9. Transportation cost.
10. Assisting test and rail movement.
11. Coal bunkering facilities at Vancouver.
12. Increasing freight haul.

In several instances the recommendations contained in the draft copy of report were amended.

Mr. Bury moved, seconded by Mr. Howden,—That the recommendations as amended be embodied in the Third and Final Report of the Committee.—Motion carried.

Mr. Cantley moved, seconded by Mr. Garland (Bow River),—That the Report as amended be adopted as the Report of the Committee to be presented to the House.—Motion carried.

The Committee then adjourned *sine die*.

V. CLOUTIER,
Clerk of the Committee.

COAL RESOURCES OF CANADA

LIST OF PERSONS WHO GAVE EVIDENCE OR PRODUCED DATA FOR THE RECORD—
PREMIERS AND MINISTERS WHO ATTENDED CONFERENCE

Names	Pages		
	Evidence	Addenda	Conference
Aird, Harry.....	16		
Baxter, Hon. J. B. M.....			187
Britt, Thomas.....	85		
Buchanan, Wm.....	123		
Burchell, Geo. B.....	267	313	
Camsell, Charles.....	1, 318	341	
Coote, G. G. (M.P.).....	325		
Cornell, F. C.....	288		
Craig, Hon. R. W.....			203
Creighton, A. J.....	293		
Crombie, D.....	138	312	
Cuttle, F. T.....	152, 162		
Dougall, James.....	88-102, 133		
Douglas, Hon. J. C.....			192
Draper, Thomas.....	218		
Ellis, J. A.....	238	260	
Ferguson, Hon. G. H.....			193-203
Gzowski, C. S.....	138	160	
Halpin, W. J.....	253		
Harrington, Hon. G. S.....	272		
Hotchkiss, C. P.....	39, 326		
Jelliff, L. H. (M.P.).....	323		
Jenkins, Geo. H.....	83		
Maxwell, Wm.....		315	
McCourt, E. Fred.....	59		
McKenzie, Norman.....	273		
McWilliams, R. H.....	293		
Neill, A. W. (M.P.).....	175		
Pringle, James.....	138		
Richards, Hon. C. D.....			206
Smart, I. V.....	138		
Tait, Sir Thomas.....	265		
Vaughan, R. C.....	68	158	
Wattles, F. M.....	208		
Wolvin, Roy M.....	105		

NOTE.—Exhibits of Photo Plates showing Dumpers, Whirlers and Tippers (modern loading and unloading machinery) were produced by Mr. Thomas Draper and donated to the Committee.

Exhibit of a Lump of Coal from the upper seam of one of the Drumheller mines was produced by Mr. Wm. Buchanan.

Data produced in the course of Evidence given by—

Mr. Dougall of the C.P.R., at page 134.

Mr. Ellis *re* Prices of Alberta coal, at pages 237, 243.

Mr. Halpin *re* tonnage of coal handled, page 253.

Mr. Jelliff *re* analysis of Alberta coal, page 327.

Mr. Hotchkiss *re* tonnage of coal delivered to foreign-going vessels at Eastern ports, page, 328.

See also statements of The Schuster Coal Company, Belleville, and The James Sowards Coal Company, Kingston, at pages 216, 217.

MINUTES OF EVIDENCE

COMMITTEE ROOM 425

HOUSE OF COMMONS,

FRIDAY, May 21st, 1926.

The Special Committee appointed to investigate our present sources of supply of anthracite and bituminous coal, the dependability of such sources and other matters in relation thereto, met at 11 a.m., the Chairman, Mr. Lapierre, presiding.

The CHAIRMAN: I will ask Mr. Camsell to make his statement.

Mr. CHARLES CAMSELL: I think, Mr. Chairman, the whole situation with regard to the fuel problem of Canada is embodied in this map (indicating) which we have prepared. This is a compilation of information which we obtained from the United States Geological Survey and from the Canadian Geological Survey, and while previously there were separate maps, we have included all the information with regard to the location of the coal fields on the continent, on this one map, which I think will give you at a glance, as clearly as it is possible so to do, what we find to be the coal problems of Canada. This area in here (indicating Ontario) has been in difficulties in the past with regard to a coal supply, and it shows the relation of that area to our own fields in the west and the east, and to the American fields which have controlled the situation in this area, but at the same time this map will give you as clearly as it is possible to do graphically, what our whole situation is. It boils down to this; it is a question of transportation. The cost of transporting coal from either Alberta or Nova Scotia into the area we want to serve, is our problem, and the situation is complicated by that area being situated so closely to the American fields on the south side of the line. The American field is the big producing bituminous field of the continent. This coal field here (indicating) in the State of Michigan, while it looks important from the size of it, is not very important, because the production from that area is only about one million tons a year, and is of coal which is very friable, and has only a local market, so I think in the consideration of these areas, the Michigan fuel may be eliminated altogether.

Mr. NEILL: Where is the American anthracite field?

Mr. CAMSELL: Right in here (indicating) where these little red spots are. The anthracite is shown in red, the bituminous in this buff colour, and the lignite in green.

Mr. BURY: Would it be possible to have that map reproduced on a small scale?

Mr. CAMSELL: Yes.

The CHAIRMAN: Would it be expensive?

Mr. CAMSELL: No. We have here in our Interim Report a reproduction of this larger wall map, but it is a little bit too small, I think. That gives you the allocation of the fields.

I was replying to Mr. Neill's question in regard to the location of the anthracite fields of the United States. They are situated in the northeastern corner of Pennsylvania, and you can see by the delineation on the map that the area is relatively small, as compared with the bituminous fields. I have forgotten the mileage, but I think it is about 400 square miles. The production from there amounts to about ninety million to one hundred million tons a year, of which

[Mr. Charles Camsell.]

about five per cent comes into Canada. It is estimated by officials of the United States government that at the present rate of production, the field will be practically exhausted within a century's time.

As far as our Fuel Board is concerned; we have devoted our attention very largely to the question of the supply of domestic fuel for parts of Ontario, with the object of securing substitutes for the diminishing supply, and the gradually deteriorating quality of the anthracite coming from the State of Pennsylvania.

Mr. HOWDEN: This red line represents the coal routes? (indicating)

Mr. CAMSELL: Not actually the routes, but is more nearly the course followed by the coal—

Mr. HOWDEN: Of supply?

Mr. CAMSELL: It is the beginning, and end of the particular route, and the mileage. The distance is incorporated on this large blueprint which we have here, which we propose to add to this map, so when these two sheets are put together, you will have practically the whole coal problem on this side, before you.

The CHAIRMAN: Does that show the freight rates?

Mr. CAMSELL: Yes, the freight rates and distances, not only by rail but by water, of coal that comes into Canada—into Ontario or Quebec particularly, from Canadian points, or American points or British points, as indicated on this blueprint (indicating).

Mr. FLEMMING: You say your investigation, as a Fuel Board, was in connection with the cost of anthracite, and the substitution of some other fuel?

Mr. CAMSELL: Yes.

Mr. FLEMMING: Your investigation has not been very much along the line of bituminous coal, or coal for the railways or industries, but rather for household consumption?

Mr. CAMSELL: That was the pressing problem, the supply of the domestic fuel which was the subject to which we applied ourselves, first of all. But at the same time we have collected a great deal of information regarding those other points you raised, industrial fuel for industries, as well as for the railways, and when you hear Mr. Hotchkiss, who will give his evidence before this committee, you will get his information at first hand. Mr. Armstrong raised the question a little while ago in his remarks to you of the investigation Mr. Hotchkiss made with regard to the industries in the United States. We asked Mr. Hotchkiss to go down there and spend some time, not only in the anthracite fields, but in the bituminous fields. Whenever coal was coming into Canada from different points, we wanted information regarding the mining and the quality of the coal and the route it followed in coming into Canada, and he has prepared a report on that subject which can be placed at the disposal of the committee.

Mr. FLEMMING: Would that be information regarding coal at the pit-head?

Mr. CAMSELL: Yes, that report is a little over a year old now. It was last year that he was down on his investigation.

Mr. BURY: I think there is a small measure of anthracite in Canada.

Mr. CAMSELL: Yes, there is.

Mr. BURY: They do not seem to show on the map.

Mr. CAMSELL: There are some sections up here in the northern part of the province of British Columbia (indicating).

Mr. BURY: They are not shown on the map.

Mr. CAMSELL: Well, I don't know,—

Mr. ARMSTRONG: What is the extent of the anthracite area in British Columbia?

Mr. CAMSELL: That I cannot tell you offhand.

Mr. ARMSTRONG: Could you hand it later on to the reporter?

Mr. CAMSELL: I could get it.

Mr. McLEAN (Melfort): There is no anthracite being actually produced.

[Mr. Charles Camsell.]

Mr. CAMSELL: No—

Mr. NEILL: Is there any anthracite at Banff?

Mr. CAMSELL: I don't think the mine is operating just now, Mr. Neill.

Mr. ARMSTRONG: Mr. Camsell, you made a statement a few moments ago to the effect that you had the rates on coal from United States ports to ports such as Port Arthur and Fort William?

Mr. CAMSELL: Yes.

Mr. ARMSTRONG: Would you be good enough to give us the rates from Buffalo and Cleveland to Port Arthur and Fort William, or perhaps you could include that in your memorandum?

Mr. CAMSELL: It is somewhere in the neighbourhood of forty cents a ton.

Mr. ARMSTRONG: What is the cost of loading and unloading, do you know?

Mr. CAMSELL: Mr. Hotchkiss tells me that loading is about five to eight cents a ton.

Mr. ARMSTRONG: And unloading?

Mr. CAMSELL: About fifty cents.

Mr. ARMSTRONG: Is that per ton?

Mr. CAMSELL: Yes.

Mr. BURY: Is that with the use of the latest apparatus, or is it by some antiquated method?

Mr. CAMSELL: The equipment for loading at Toledo is of the very latest type.

Mr. ARMSTRONG: That costs you from five to eight cents?

Mr. CAMSELL: Yes.

Mr. BURY: What about the loading?

Mr. CAMSELL: That is the loading.

Mr. BURY: That is fifty cents a ton?

Mr. CAMSELL: No; that is five to eight cents.

Mr. ARMSTRONG: That cannot be right. It may be right about that port of Toledo, but machinery for unloading cannot be up to date if it costs what you have stated.

Mr. CAMSELL: Will you permit Mr. Hotchkiss to answer that question?

Mr. HOWDEN: Does that mean forty cents both ways?

Mr. CAMSELL: No, coal only goes one way on this route.

Mr. McLEAN (Melfort): It would not be possible to get anything like that rate from Buffalo to Port Arthur and return.

Mr. CAMSELL: I have the return rate on commodities that come in the other direction. You see, iron ore comes from Duluth and wheat from Port Arthur.

Mr. HOWDEN: And the boats are going up empty?

Mr. CAMSELL: Yes.

Mr. HOWDEN: You could not get that rate back where there is competition with grain and iron ore?

Mr. CAMSELL: It is hardly likely you could get that rate.

Mr. ARMSTRONG: You have no rate on the iron ore from Michipicoten to Port Arthur?

Mr. CAMSELL: No iron ore is shipped from there.

Mr. ARMSTRONG: From where is it shipped?

Mr. CAMSELL: From Duluth. There is no iron ore being produced in Canada to-day on Lake Superior.

Mr. ARMSTRONG: Where is the iron ore brought from?

Mr. CAMSELL: Minnesota, in the United States.

Mr. McLEAN: The Missaba range?

Mr. CAMSELL: Yes.

Mr. ARMSTRONG: It loads at the port of Duluth?

[Mr. Charles Camsell.]

Mr. CAMSELL: Yes.

Mr. ARMSTRONG: Have you any idea what the charges are from Duluth down to Cleveland, Toledo or Buffalo?

Mr. CAMSELL: I can get that for you; I have not got that figure with me.

Mr. ARMSTRONG: It would be nice if you could include that in your report.

Mr. HOWDEN: Mr. Camsell, I am sorry but I am not very clear on this: would this coal be moved from Windsor to Port Arthur, or from Port Arthur to Windsor?

Mr. CAMSELL: It would be moved from Toledo to Port Arthur. The movement is westward. There is no movement of coal from Port Arthur to Toledo.

Mr. HOWDEN: So the coal will be moved either way for the same rate?

Mr. CAMSELL: No; at the present time I understand Port Arthur and Fort William have only unloading facilities; they have no loading facilities for coal.

Mr. BURY: But in any case the suggestion is that the rate westward is a nominal rate, because the boats are going back, and they are just used, and what they make is money found?

Mr. HOWDEN: That is the point I want.

Mr. CAMSELL: It is the same situation on the Atlantic between Montreal and Swansea. The principal movement of loaded ships is from Montreal to British ports; the ships bring back coal practically in ballast, and the result is that they get a very low rate.

Mr. ARMSTRONG: How low?

Mr. CAMSELL: Seven shillings and sixpence was the rate that was quoted last year, but this varies.

Mr. ARMSTRONG: A long ton?

Mr. CAMSELL: Yes.

Mr. ARMSTRONG: How many miles?

Mr. CAMSELL: 3,000 miles or more.

Mr. ARMSTRONG: About a dollar and a half per ton?

Mr. CAMSELL: Yes.

By Mr. Armstrong:

Q. You are thoroughly conversant with the Alberta coal fields, with the quality and grade of coal in the different districts, are you not?—A. Yes.

Q. Could you designate the area from which the most suitable kind of coal for domestic purposes, in Ontario, for instance, can be mined? That is my question that I believe it is up to you to answer.

Mr. McLEAN: That is right; that is an important question.

Mr. CAMSELL: What they call domestic coal in Alberta is coal that comes from that portion of the Alberta field shown on the map as lignite. I believe the coal being produced in the Drumheller valley is about the best quality of this domestic fuel which is produced.

Mr. ARMSTRONG: My object in asking that question, Mr. Camsell, is simply this: that the class of coal that should be shipped to the province of Ontario for home consumption, we will say, should come from a designated area, and you are the man who should be best qualified in this Dominion to locate that area. I know it is asking a great deal of you—too much to ask you to-day—but I certainly would like to have you designate the area from which the best domestic coal can be mined, for shipment to the province of Ontario.

Mr. CAMSELL: There are two points involved in the answer to that question. Do you want the best producing area at the present time—coal from an area that is now producing—or from areas that are capable of producing, but which are not at the present time.

Discussion followed.

[Mr. Charles Camsell.]

Mr. CAMSELL: Would you give me some time to get that information for you?

The CHAIRMAN: Certainly.

Mr. BURY: Roughly speaking, Mr. Camsell, would you say that the area around Drumheller produced an economical, good, domestic coal for shipment to the areas in central Canada?

Mr. CAMSELL: That is a pretty hard point to answer. I mean to say, there are many other considerations; whether it is economical to ship it there is the question.

Mr. BURY: Perhaps I should not have said "economical." Leave out the cost. Assume it can be hauled to central Canada at a reasonable rate; is it a coal that should be trans-shipped; is it in itself a coal that will stand trans-shipment and be delivered in good condition?

Mr. CAMSELL: I believe it is.

Mr. McLEAN: Is it not a fact, Mr. Camsell, that the Lethbridge and Drumheller fields particularly, and perhaps some smaller fields west of Edmonton, about 100 miles, would be the fields that should produce good coal, which will stand trans-shipment better than a great deal from eastern Alberta?

Mr. CAMSELL: There is good coal in the Mountain Park area, and the Saunders Creek area.

The CHAIRMAN: From what section did the coal come that was brought into Toronto last year?

Mr. CAMSELL: From the Drumheller section.

The CHAIRMAN: It was found successful?

Mr. CAMSELL: Yes.

Mr. ARMSTRONG: Just one question. I am sorry to take up so much time. It has been stated, Mr. Camsell, that a great deal of the coal from certain areas in Alberta, disintegrates, and is apt to be delivered in not a very good condition. You have just now given us to understand that it could stand transshipment all right. What I want to get at is this: is it not true that in shipping Alberta coal to Ontario there is less likelihood of disintegration after it reaches the lake district, than if that same coal was mined and left in Alberta? That is, that the dry atmosphere of Alberta has a tendency to disintegrate the coal much more quickly than the damp atmosphere in the province of Ontario?

Mr. BURY: There is probably more evaporation in Alberta.

Mr. CAMSELL: Yes.

Mr. ARMSTRONG: Therefore, the coal would carry and remain in storage longer in the province of Ontario—this Alberta coal—than it would if it were stored in the province of Alberta?

Mr. CAMSELL: It seems reasonable to conclude that that would be the case. We have never carried out any tests to determine that point.

Mr. ARMSTRONG: Would you, Mr. Camsell, when you are making up the other report, be good enough to see the men in your department, and ascertain if it is not possible that they have made some investigation along those lines, and if so, will you include that in your report?

Mr. CAMSELL: We have made some investigations, I know, because I had an inquiry from a railroad man on that point, and we found rather conflicting evidence, in the transportation of coals, not only Canadian coals but British coals from one point to another, in open cars. There was, in some cases, a loss in weight due to evaporation. On the other hand, there were certain cases where there was a gain in weight.

Mr. ARMSTRONG: And that was entirely due to climatic conditions?

Mr. CAMSELL: Picking up or losing moisture.

Mr. BURY: The gain in weight would be more likely in coal coming from a dry part of the country, from the dry atmosphere of the west, than in coal coming from that humid level of atmosphere of the east, and of Britain. You

[Mr. Charles Camsell.]

see, your coal is moving—take Alberta coal; it comes from a very dry country. Is there more moisture in the Alberta coal?

Mr. CAMSELL: There is more moisture in certain coal from Alberta than in the coal from Nova Scotia.

Mr. BURY: It is the moisture that is evaporated? For example, this coal in Saskatchewan contains more moisture than any other coal we have. The moisture runs up from thirty per cent to fifty per cent. In the transportation of that coal, there is a great deal lost in weight—more than in the transportation of the Drumheller coal which only has a moisture content of about 14 or 15 per cent.

Mr. HOWDEN: Has the Drumheller coal become an established substitute for anthracite in Ontario? Are the Ontario domestic coal users satisfied with Alberta coal as a substitute?

Mr. CAMSELL: Those who have used Alberta coal are satisfied; it is a question of price.

Mr. HOWDEN: And they are satisfied with the performance of the coal, as it were?

Mr. CAMSELL: Yes.

Mr. FLEMMING: Is not the matter of grading and classification of coal at the pit-mouth important? Is that not really more important than the area in which the mine is situated, in order to get a desirable domestic coal? Is that not really one of the important points, to get it properly graded at the pit-mouth before it is shipped?

Mr. CAMSELL: That is, I think, an important factor.

The CHAIRMAN: What grade of coal was brought to Toronto last winter?

Mr. CAMSELL: What is known as Alberta domestic coal.

The CHAIRMAN: Would that correspond to our "stove coal"?

Mr. CAMSELL: No; lump coal.

Mr. GARLAND (Bow River): Under whose authority would the grading of coal come?

Mr. CAMSELL: I think it is a provincial function.

Mr. McLEAN: In that railroad case, a shipload of Alberta coal came down here. Was there any selection of the field from which it came?

Mr. CAMSELL: I think that was some arrangement whereby the Alberta government allocated—

Mr. McLEAN: They allocated it to a certain field?

Mr. CAMSELL: Yes; they allocated the orders.

Mr. ARMSTRONG: Would you include in your report which you are bringing down about that area, an estimate of the amount of coal available in the designated area? That would be important.

Mr. CAMSELL: I don't think that is important, Mr. Armstrong. There is no question about the quantity.

Mr. ARMSTRONG: But this is for the public; they would like to know. We have absolute confidence, but if you would form an estimate of the coal in that area, which is suitable for transportation to Ontario, it would have a very good effect.

Mr. GARLAND: This information is already in the report of 1923.

Mr. ARMSTRONG: Not like the estimate he is about to prepare. He does not know where the district is.

Mr. McLEAN: It would be hard for him to get that information.

Mr. BURY: Assuming you can get the proper quality of coal in Alberta, it is entirely a question of transportation?

Mr. CAMSELL: That is my opinion.

Mr. BURY: Then the large factor in the cost of transportation will depend, so far as the railway is concerned at least, on the size of the coal haul, which they can carry. That is, if they can only carry 1,800 tons as a trainload, the

[Mr. Charles Camsell.]

cost will be so much; if they can carry 2,500 tons in a train load, the cost will be about 60 per cent; is that right?

Mr. CAMSELL: I think it is obvious.

Mr. GARLAND: I presume there is some intelligent basis for rate fixation at the present time?

Mr. ARMSTRONG: Mr. Camsell, have you taken into consideration the fact that the mining of this coal is an important factor—the cost.

Mr. CAMSELL: Quite so.

Mr. ARMSTRONG: And if the men are working only a few months each year, they would require a higher wage than if they were working the year round.

Mr. CAMSELL: The cost of mining coal is a question which is not always taken into consideration, not only by the people who purchase coal, but the people engaged in its production; that is to say, the miners themselves. The different geological conditions and the altitudes which the beds have, make it cost more to mine coal in one locality than in another. Go down to the fields of West Virginia, and the cost of production there is not more than a dollar and a half a ton, because of the facility with which that coal can be gotten out; go into the fields of Nova Scotia, and you will find the cost of production there is probably three times as much, because of the different conditions which they have to meet, and all the way through the coal fields everywhere, all over the earth, you cannot compare the cost of producing coal in one locality with the cost of producing coal in another locality, because conditions are different.

Mr. ARMSTRONG: Are there any districts in Nova Scotia, for instance, where suitable coal for the province of Quebec and part of Ontario can be mined at a much lower cost than the cost of mining it in the mines now being operated?

Mr. CAMSELL: I cannot answer that question, Mr. Armstrong.

Mr. ARMSTRONG: Can you tell us then, whether the area in the Nova Scotia fields, for coal such as would be suitable for the provinces of Ontario and Quebec, for coking and other purposes,—whether the district in which that coal could be mined, could not be allocated by you? You know definitely the quality of the coal that is located in every district in the province of Nova Scotia, do you not?

Mr. CAMSELL: We have had coking tests made with all of the coals in Nova Scotia.

Mr. ARMSTRONG: You have a definite idea in regard to its other qualities, have you not?

Mr. CAMSELL: Then there is this question which enters into the one which you ask; in the coking of coal you do not use one coal; you have to blend your coals.

Mr. McLEAN: You blend your coals?

Mr. CAMSELL: Yes.

Mr. FLEMMING: Elucidate that a little for us, will you?

Mr. ARMSTRONG: Yes, tell us something about that.

Mr. CAMSELL: These coking ovens in Hamilton do not use only one coal; they have two classes of coal which they mix, and they mix both of these coals—which are obtained from the United States, by the way—and both are very high quality coal—

Mr. ARMSTRONG: Where do they come from?

Mr. CAMSELL: From the Elkhorn and Pocahontas district.

Mr. BURY: Why do they mix it? Is it more economical or is it essential to produce the best coke?

Mr. CAMSELL: It is necessary to produce the best coke. If you want coke for one particular purpose, you would mix it a certain way; if you want it for a metallurgical purpose, or foundry purpose, you would have to have a certain blend.

Mr. ARMSTRONG: Do they blend that coal in Hamilton?

Mr. CAMSELL: Yes.

[Mr. Charles Camsell.]

Mr. HOWDEN: The soft coal from Nova Scotia would not be acceptable as a substitute for anthracite, without being transformed into coke?

Mr. CAMSELL: I think as coke it would be acceptable to a majority of the people here, because of this fact; that most of the burning equipment that is installed in Ontario and Quebec is installed for the purpose of burning anthracite, which is a coal with very little gas.

Mr. NEILL: You said a few moments ago that the lignite coal was satisfactory to the users in Ontario? Why would not the bituminous coal also be?

Mr. CAMSELL: It is higher in gas content.

Mr. ARMSTRONG: Gas and soot.

Mr. CAMSELL: Yes, but there is the other factor in burning bituminous coal, or any coal containing high volatile content, that your waste is very material. It is cheaper to burn the carbon out and use what is left.

Mr. NEILL: You now say that lignite coal is better than bituminous?

Mr. CAMSELL: I think for domestic purposes that is the experience in Alberta where both were used; one makes more smoke than the other.

Mr. FLEMMING: For the information of the committee, would you give us a little explanation of the difference between lignite and bituminous?

Mr. ARMSTRONG: Before doing that, will you tell us whether lignite is a fair name for domestic coal?

Mr. CAMSELL: No, I don't think it is. That is the reason why the Alberta officials adopted the name "Domestic." In certain classification it is called "Sub-bituminous," but you asked me for the difference in the classification of different kinds of coal. That is a question that the coal scientists have been fighting over ever since coal was known, I think.

By Mr. Armstrong:

Q. We met on the train, and were talking about coal. Will you give us some of the points of difference between coal designated as lignite, and coal designated as bituminous?—A. Well, in lignite coal, the moisture content is higher. There are four constituents. Moisture, carbon, ash and volatile matter. In the case of lignite coals, the moisture is 10 per cent or more. Bituminous, when it gets below that, is usually just classified as bituminous coal, and when we get down into the anthracite, the moisture content has almost gone out.

Q. The one outstanding characteristic between the two is that lignite has more moisture than bituminous?—A. Yes.

Q. What is the present cost of transporting coal from Nova Scotia to Montreal, or Quebec?—A. I can give you the freight rate, but I cannot give you the cost.

Q. Can you also give the freight rate or the handling charges, when that coal is handled on barges or boats, to be taken up to Kingston or Toronto?—A. What the cost would be?

Q. That is, the freight and the transfer costs?—A. The rate from Sydney to Montreal, you mean?

Q. Yes.—A. The British Empire Steel Corporation, I think, use their own vessels in that case, and I think they charge from 75 to 90 cents against the carriage of that coal.

Q. That is, from 75 to 90 cents per ton?—A. Yes.

Q. To Montreal?—A. Yes.

Q. Of course that is water carriage?—A. Yes.

Q. Is that a long ton?—A. The rail rate is \$4.50, I think.

By Mr. Flemming:

Q. Is that a long ton?—A. No, a short ton.

[Mr. Charles Camsell.]

By Mr. Armstrong:

Q. What efforts have been made to transfer that coal to barges and transport it, at Montreal and up to Toronto?—A. I beg your pardon.

Q. What efforts have been put forth to transfer the coal from the vessels at Montreal or Quebec, into barges or boats, to go up through the canal to Kingston, or on to Toronto, or has there been any effort at all worth speaking of?—A. The British Empire Steel Corporation coal does go up through on their boats, from Sydney to Montreal, but they are of such tonnage that they cannot go beyond, owing to the conditions on the canal. It has to be transferred by trans-shipment at Montreal into vessels suitable for the balance of the journey.

Q. Can you give us the cost of trans-shipment, and the cost of carrying that coal by boat up through the canal and on to Toronto and Ontario points?—A. No, but I can give you the rates that are prevailing.

Q. Let us have them?—A. I understand there are no established rates from Montreal through to lake points, to Lake Ontario points, and that the movement of coal is not very heavy.

Q. Have you investigated or experimented any along that line, to any extent, I mean the Department?—A. Yes. Mr. Hotchkiss has some information upon that subject.

By Mr. McLean (Melfort):

Q. Can you tell us what tonnage the boats are that are used for that purpose?—A. Boats of about 2,000 tons.

Q. Does that mean 2,000 tons carrying capacity?—A. Yes.

Q. And the boats from Sydney to Montreal are of what tonnage?—A. From 4,000 to 8,000 tons.

Q. Do you know how much difference there would be in running 2,000 ton boats right from Sydney to Toronto, or would that be feasible?—A. I do not know. I think you will get into ships that are under different control then.

Q. I grant that, but would it be in the meantime feasible to do it?—A. I doubt it.

By Mr. Armstrong:

Q. For instance, along this line, there were some questions upon the order paper, asking the Canadian Marine Department to give the number of vessels available that had not been in service, even during the last year, and that would be suitable, or that could pass through the canal and on to the upper lakes, carrying coal. If I remember rightly, they gave the number as twelve. Do you not suppose that those boats could load at Sydney, even 2,000 or 3,000 tons, and carry it on through; could that test not be made?—A. I presume there would have to be some arrangement with the British Empire Steel Corporation, to supply the coal. They have their own ships at the present time, running from Sydney to Montreal, so that they would not care to give that business up to anyone else.

By Mr. Flemming:

Q. Are they the only people who carry coal from Sydney to Montreal, the British Empire Steel Corporation?—A. I think so.

By Mr. Armstrong:

Q. Are they the only persons who have connections with the mines in Nova Scotia?—A. The British Empire Steel Corporation is producing somewhere about 80 to 90 per cent of all the coal produced in Nova Scotia.

Q. Are there any areas where suitable coal is located in Nova Scotia, available to transportation, where coal could be obtained, if that company should not care to ship in that way?—A. There are, yes.

Q. Could you give us some idea where they are?—A. There are areas in Cape Breton that are not under the control of the British Empire Steel Corporation, on the western coast of Nova Scotia.

Q. Is it just as good coal?—A. Just as good coal.

Q. As their standard?—A. I think so.

By Mr. Flemming:

Q. Is it of sufficient quantity to make it worth while?—A. (No answer).

By Mr. Armstrong:

Q. What port could they ship that coal from?—A. They cannot ship from the port of Inverness; they carry it down by rail to a point in the straits of Canso, I believe, and unload there.

Q. How far would that be?—A. About sixty miles from the line.

Q. Will you be good enough to give us an estimate of the area and the quantity of coal available in that district?—A. We can get that for you, as far as it is available.

By Mr. McLean (Melfort):

Q. Is there any coal available, outside of bituminous or coking coal?—A. They are all classed as bituminous coals.

Q. Are they all coking?—A. I could not say that off-hand, but I know they are all bituminous coals. Some bituminous coals are not coking coals.

By Mr. Garland:

Q. The matter of transportation from Montreal to Toronto, or from any point in Nova Scotia to Toronto, would, I think, from your evidence, be a question entirely of negotiation with some private steamship company?—A. That may be so.

Mr. GERSHAW: In connection with the Alberta coal, is the furnace equipment in general use able to burn Alberta coal? Is there any prejudice against the use of it by the people accustomed to using anthracite coal?

Mr. CAMSELL: I cannot say as to that. It is hard to account in many cases for the prejudice of people with regard to fuel. Some people like one fuel and some people like another, and you cannot tell why.

Mr. GERSHAW: What about the furnace equipment in general use?

Mr. CAMSELL: In this country most of the furnace equipment is for the burning of anthracite. Anthracite is the main domestic fuel used to-day.

Mr. GERSHAW: They would burn anthracite coal with the same equipment, would they?

Mr. CAMSELL: They would burn it as efficiently as with furnaces built for burning a volatile coal.

Mr. GARLAND (Bow River): Is it not true that in western Canada they are using the same furnaces, and same heating arrangements, same stoves, and boilers, as they do in Toronto, for instance, and they are quite satisfied with them. I think our houses are just as warm out there as we have found them to be in Ottawa, and I think we could keep them warm with Alberta coal. Our experience is that they can all burn Alberta coal with as much satisfaction, with the present equipment.

Mr. CAMSELL: Yes.

The CHAIRMAN: It is merely a matter of educating the people how to burn coal?

Mr. CAMSELL: Yes.

Mr. BURY: I think it is true, too, that the fuel people recognize there has to be very soon a substitution of other coking domestic coal for the American

[Mr. Charles Camsell.]

anthracite, because either the American anthracite fields will be used up, or else there will probably be an embargo on the export of their coal.

Mr. CAMSELL: There are different possibilities facing us.

Mr. ARMSTRONG: While dealing with the American anthracite, you made the statement a while ago to the effect that 90,000 to 100,000 tons per year was the extent of their shipments.

Mr. CAMSELL: No, I said that the product from the anthracite fields was from 90,000,000 to 100,000,000 tons a year.

Mr. ARMSTRONG: You gave us some idea as to the extent of time in which the anthracite field would be exhausted, did you not?

Mr. CAMSELL: Yes.

Mr. ARMSTRONG: What was it?

Mr. CAMSELL: I said it was estimated that it would be exhausted within a century.

Mr. ARMSTRONG: As I understand it, they are not producing coal in any larger quantity in the anthracite field to-day than they were ten or fifteen years ago.

Mr. CAMSELL: No; the production has been pretty steady for that period of time.

The CHAIRMAN: But you have seen figures, Mr. Camsell, where a period very much shorter has been indicated?

Mr. CAMSELL: I was going to say, Mr. Chairman, that from the portion of the anthracite fields from which we get our supply there is a very much more limited life than one hundred years. We get our supply from the northern portion of the Pennsylvania anthracite field, and the estimated life of that field is 35 or 40 years.

Mr. NEILL: I understood you to say that we get five per cent of the anthracite production? Does that mean we get 20,000,000 tons—you mentioned 100,000,000.

Mr. CAMSELL: Five per cent of 100,000,000 is 5,000,000.

Mr. NEILL: 5,000,000 tons?

Mr. CAMSELL: Yes.

Mr. ARMSTRONG: In dealing with this same point, Mr. Camsell, have you gathered any definite information in regard to the position taken by the American Congress at Washington in opposition to the shipment of the anthracite coal into Ontario?

Mr. CAMSELL: There have been bills, I think, before Congress, on three different occasions, which were introduced for the purpose of placing embargoes against the export of anthracite coal.

Mr. ARMSTRONG: Is it not a fact that there is a bill now before Congress?

Mr. CAMSELL: Not that I know of. Perhaps; I cannot say; there was last year.

Mr. ARMSTRONG: In the report you are preparing, will you be good enough to give the dates of these bills and something of the nature of them?

Mr. CAMSELL: Yes.

Mr. GARLAND (Bow River): Are there any other coals of domestic value in the United States, close to the border, that have been used or could be used for domestic purposes in Ontario?

Mr. CAMSELL: Beside anthracite?

Mr. GARLAND: Beside anthracite.

Mr. CAMSELL: Yes, there are the low volatile coal of West Virginia, being used very largely for domestic purposes, coal about equal to Pocahontas and New River, and some low volatile coal in Pennsylvania.

Mr. GARLAND: Would that give satisfaction in Ontario?

Mr. CAMSELL: I should think it would. It is a question of price, largely, if it could be sold at a price below the anthracite.

Mr. GARLAND: Would you give us in your report also, Mr. Camsell, what quantity is imported into Ontario, and a statement of any possibility of limiting that supply?

Mr. CAMSELL: I see.

Mr. GARLAND: And in addition to that, the price at which the coal is now sold in Ontario.

Mr. CAMSELL: When you say "Ontario", Mr. Garland, would it not be better to name some specific point in Ontario?

Mr. GARLAND: You can pick your point.

Mr. CAMSELL: Shall we say Toronto?

Mr. GARLAND: Yes, that will be satisfactory.

Mr. CAMSELL: Yes.

Mr. GARLAND: I think it is rather important we should have that, because upon that will largely be based the conclusions that come to us, and the possibility of ousting that coal that is competing with us.

Mr. HOWDEN: Are these American soft coals as favourably considered by the Ontario people as the western Canadian soft coal?

Mr. CAMSELL: There is a sentiment in favour of the use of Canadian coal, naturally.

Mr. HOWDEN: But the Canadian coal is better coal, is it not?

Mr. CAMSELL: It depends on the purpose for which you want to use it.

Mr. HOWDEN: I mean for domestic use. The consensus of opinion in the reports I have looked through seems to be that the western Canadian coal seems to be the best substitute for anthracite coal.

Mr. CAMSELL: That is not an easy question to answer in a direct way.

Mr. HOWDEN: The point I am trying to get at is this: we are trying to find a suitable substitute in central Canada for American anthracite coal. We have eliminated the soft coal from Nova Scotia as being inferior to the coal coming from western Canada. Can we equally well eliminate the soft coal from the United States as being of an inferior variety to our Canadian coal, because those which are less desirable need no consideration at all in the final conclusion of this committee.

Mr. CAMSELL: I do not think you can say that the coal of the Maritime Provinces is inferior to the Alberta coal.

Mr. MACDONALD (Cape Breton South): Where does this elimination commence?

Mr. HOWDEN: I read through these two former reports and it would appear from the evidence that was given there that the Nova Scotia coal—the Nova Scotia soft coal—can only supplant the American anthracite coal in the form of coke, and that it is not a desirable coal to take the place of American anthracite for domestic use anywhere.

Mr. BURY: I think the point is this: some of us might be informed anyway that the bituminous coal of the States is fattier, smuttier and smokier, and less desirable on that ground than the best class of domestic coal in Alberta, leaving out the lower grades of Alberta coal; and that the American bituminous coal, is, for that reason, not so desirable as the domestic coal, because it is sootier and smokier.

Mr. CAMSELL: There is no question, Mr. Bury, that you can get what is known as bituminous coal—low volatile bituminous coal—from the Virginia field, that is as good as any coal of that class we have.

Mr. BURY: Does that quality come in from the States?

Mr. CAMSELL: Yes, it comes in from the States.

The CHAIRMAN: What class of coal is being used at the gas plant in Hamilton?

Mr. CAMSELL: It is American coal.

[Mr. Charles Camsell.]

Mr. ARMSTRONG: Can you tell us, Mr. Camsell, why it is that the gas companies in the eastern cities use American coal exclusively? Why do they not, with these cheap rates, which are available, obtain their coal from Nova Scotia, and use a larger quantity of Nova Scotia coal?

Mr. CAMSELL: Because they can get the American coal cheaper in Toronto and Hamilton.

Mr. ARMSTRONG: Is it as good for coking purposes?

Mr. CAMSELL: The coal being used in Hamilton for coking purposes is probably the best coal for that purpose in the world.

Mr. ARMSTRONG: And that is American coal?

Mr. CAMSELL: When you come to coking coal, there is not a great variety of coals that can be used for coking, and some are good for metallurgical purposes and some for domestic purposes.

Mr. ARMSTRONG: How many tons of American coal come into Hamilton for coking purposes?

Mr. CAMSELL: The Hamilton coke ovens are using 500 tons of coal a day.

Mr. ARMSTRONG: For every day in the year?

Mr. CAMSELL: Yes.

The CHAIRMAN: Do you know what the price of that is, laid down in Hamilton?

Mr. CAMSELL: No, I do not.

Mr. GARLAND: We might get a witness from the Hamilton plant later on; I think it would be worth while.

The CHAIRMAN: Yes, we will.

Mr. ARMSTRONG: Just one question, Mr. Camsell, along that line. In talking with the men interested in the manufacture of gas in these large cities in the east, they gave me to understand that the sulphur in the gas was very hard to eliminate, to some extent, when they used Nova Scotia coal. Have you made any experiments along that line, and if so, what success have you had?

Mr. CAMSELL: In the elimination of sulphur?

Mr. ARMSTRONG: Yes.

Mr. CAMSELL: Yes, we have.

Mr. ARMSTRONG: And there is no question but what it can be eliminated with very little expense?

Mr. CAMSELL: No, the sulphur occurs in Nova Scotia coal in two forms. In one form the sulphur can be eliminated by mechanical means, that is, the means they use at the present time, by washing. When it occurs in that form it can be eliminated by mechanical means, but the other form has to be taken out of the gas afterwards.

The CHAIRMAN: Would that make the cost prohibitive for use for making gas?

Mr. CAMSELL: It is all a question of what it has to compete with.

Mr. ARMSTRONG: It can be eliminated without much expense, can it not?

Mr. CAMSELL: I don't know what the expense would be.

Mr. ARMSTRONG: You say there are certain grades of coal coming from the province of Nova Scotia, from which the gas is manufactured, and very little sulphur is in that gas?

Mr. CAMSELL: There is no quantity of coal coming from Nova Scotia into the central provinces, from which gas is being made. The coal is used for steam raising, and industrial purposes, but not for making gas.

Mr. ARMSTRONG: Not for use in making coke?

Mr. CAMSELL: It is used for that purpose at Sydney.

The CHAIRMAN: What kind of coal, Mr. Camsell, is used in the gas plant in Montreal?

Mr. CAMSELL: That is American coal, although, I believe, they are trying Nova Scotia coal.

Mr. FLEMMING: Would American coal be laid down cheaper in Montreal than Nova Scotia coal delivered by water?

Mr. CAMSELL: The rates are very close together in Montreal; Montreal is the point where the rates almost meet.

Mr. FLEMMING: If the quality of Nova Scotia coal was as good for coking purposes, it would not be at a disadvantage on account of the cost?

Mr. CAMSELL: No, I don't think it would.

Mr. ARMSTRONG: In the report you are preparing, Mr. Camsell, may we ask you also to give an estimate of the cost of mining that coal which is 60 miles from a port—in Cape Breton, I think it is.

Mr. CAMSELL: I am afraid that is a question I would not be competent to tackle.

Mr. ARMSTRONG: The cost of mining at present?

Mr. CAMSELL: I don't think I would attempt to do that, and I do not know of anybody in my department who knows enough about actual coal mining to give the actual costs.

The CHAIRMAN: That would be a question for the mining operators to decide?

Mr. CAMSELL: Yes.

Mr. FLEMMING: Is that the only mine in Inverness—

Mr. MacDONALD: I think there are four mines now operating.

Mr. BURY: Mr. Camsell, I wonder if you can throw any light on this point: one of the factors in the price of coal is the price at the pit-mouth. Now, that will depend upon the output per man per hour?

Mr. CAMSELL: Yes.

Mr. BURY: Have you any particulars as to the output in the different mines at present operating in Nova Scotia and Alberta, and can you say—

Mr. CAMSELL: The output per man?

Mr. BURY: You know what I want to get. What is the output? I understand the output, for instance, in some of the American coal mines, runs up to seven tons per man per day.

Mr. CAMSELL: Yes.

Mr. BURY: And in some of the Alberta coal mines it is less, and in Nova Scotia it is perhaps very low on account of the difficulties of mining, but I want the output, if we can get it, because that is a big factor in the price, and I would also like to know, if you could give it to us, something as to how you think the application of machinery to mining would assist in lowering the price, and whether it is feasible. That would give me what I want. I want to know if the introduction of machine methods to mining would increase the output.

Mr. GARLAND: That would involve a survey of all the mines, to find out the output. In Drumheller we have in some mines coal-producing machinery, but in the other mines they have not, where it would not be economical to use it on account of the smallness of the seam, and the difficulty of getting it out.

Mr. BURY: Mr. Camsell is an independent witness, while the mine operators might not be so independent in their evidence.

Mr. CAMSELL: I do not know whether the evidence you asked for has been collected, the output per man per hour from the individual mines of this country. If that has been collected by the Bureau of Statistics, we could probably get it.

Mr. BURY: It is an important factor.

Mr. CAMSELL: I know it is.

Mr. GARLAND: I would move that a miniature copy of this map, and also this statement, be attached to the evidence as an appendix before this committee.

[Mr. Charles Camsell.]

The CHAIRMAN: Is that agreeable to the committee?

Motion agreed to.

Mr. ARMSTRONG: I am sorry that I have asked so many questions, Mr. Camsell, but we are here for the purpose of gathering information. When you are preparing your statement with regard to the legislation before the Congress at Washington, might I ask that you would also gather information in regard to the mergers that have already been consummated, and others that are under way, upon which you may have information, or which is in your possession.

Mr. CAMSELL: I am afraid on that last point we have—

Mr. ARMSTRONG: No information?

Mr. CAMSELL: Practically no information.

Mr. ARMSTRONG: Can you not obtain it?

Mr. CAMSELL: I will see what I can do.

Mr. ARMSTRONG: Why I am asking you that question is that I know of some mergers myself which have been consummated in the United States, and others that are under way, and I should think you could get that information from Washington very easily.

Mr. CAMSELL: Well, I will try to get what I can on that subject.

The CHAIRMAN: Any further questions, gentlemen?

Mr. ARMSTRONG: Just one further question. Will you be good enough to prepare the source of supply that we have, as well, to commence your report with? That would give us some idea of the coal areas and the extent. Just a few lines would be sufficient.

Mr. CAMSELL: We have that here in the form of a chart. There is a chart showing the consumption and the source of supply of coal.

Mr. ARMSTRONG: Could we have one of these charts put in with your report when it is finally consummated?

Mr. CAMSELL: We can give you any number of these charts you wish.

Mr. ARMSTRONG: I would suggest that you furnish each member of the committee with a copy at your earliest convenience.

The CHAIRMAN: Could you give us any idea when this information will be available to the committee?

Mr. CAMSELL: Some of the questions Mr. Armstrong has asked me require a great deal of digging to get the information, but we will get it just as soon as we can.

The CHAIRMAN: Then you will be available if the committee wishes you; if you receive notice in advance?

Mr. CAMSELL: Certainly.

Mr. FLEMMING: Before Mr. Camsell retires, it seems to me we ought to find out if we can get from his department information which, it seems to me, is of first great importance, and if we cannot get it from his department we ought to get it somewhere else, and that is to find out what the coal would cost at the pit-mouth at the different mines in Alberta and in Nova Scotia. Then we will know what the first cost is; then we will plus that with the cost of transportation, and we will find out what it will cost to get these articles to the places where they are wanted. If we can get that information about the pit-mouth cost at the different mines in Canada, and if that could be supplemented with some information as to the American cost, it would be very illuminating to the committee. If Mr. Camsell's department can supply that, it will be better and easier than for us to get it by sending for witnesses to come here from each locality. We have to get that information before we can set out to figure on the question much at all.

Mr. CAMSELL: In reply to that, I will say this: that we can give you an enormous mass of figures bearing upon the price at the mine, but not the cost.

Mr. BURY: You can give us the price at the pit-mouth?

[Mr. Charles Camsell.]

Mr. CAMSELL: Exactly.

Mr. BURY: But you have no statistics or data to show the actual cost of production at the pit-mouth, to show the profits accruing to the mine operators?

Mr. CAMSELL: No.

Mr. BURY: That is continually altering. It must be, because if a mine is going full blast for a time, its cost per ton is less, whereas if it is only going half time, its cost is more.

Mr. CAMSELL: Well, we would like to have that information regarding the cost of production at the different mines in Canada, but it is not the sort of information that mining companies want to give. On the question of price at the mine, we can supply you with figures.

Mr. BURY: I think we ought to get the price at the mine, and get the transportation costs as far as we can, and then we can say to the mine operators "Look here, with that cost at the mine pit-mouth, we know our transportation costs, and the result is that the price at the pit-mouth is absolutely impossible, and unless you can cut down the price at the pit-mouth, you, yourselves, are making it impossible for us to use your coal."

Mr. MACDONALD: I live within fourteen miles of Glace Bay, and I pay \$6.25 for a ton of coal. The same ton of coal is sold in Three Rivers for \$3.50.

Mr. BURY: We live right over the coal mines, and pay \$6.50 a ton.

The Committee adjourned until Tuesday, May 25, at 11.00 a.m.

COMMITTEE ROOM No. 436.

HOUSE OF COMMONS.

TUESDAY, May 25th, 1926.

The Special Committee appointed to investigate present sources of supply of anthracite and bituminous coal, the dependability of such sources, and other matters relating thereto, met at 11 a.m., the Chairman, Mr. Lapierre, presiding.

HARRY AIRD, called, and sworn;

By the Chairman:

Q. What is your present position, Mr. Aird?—A. Director of the Canadian Import Company and manager of their Montreal office.

Q. How long have you been in their employ or in that position?—A. In that position for 15 years, or more.

Q. You are familiar with the transportation conditions on the St. Lawrence and Great Lakes?—A. As pertaining to the Montreal and Quebec markets, yes.

Q. Have you prepared a statement for this Committee, Mr. Aird?—A. No sir, I was not asked to prepare a statement; I was told that certain information in regard to the transportation of coal would be sought but no definite questions have been put to me as yet.

The CHAIRMAN: I will ask Mr. Flemming to examine the witness.

By Mr. Flemming:

Q. Mr. Aird, in the course of your management of the business you spoke of, you have been handling coal from Nova Scotia?—A. Yes sir.

Q. And coal from the Pennsylvania fields?—A. Yes.

Q. Have you handled anthracite coal for household use?—A. Yes sir.

Q. And would your company handle bituminous coal that would be used in industries?—A. We do.

[Mr. Harry Aird.]

Q. You also handle that. And has the coal you have been handling from Nova Scotia been coming to Montreal entirely by water?—A. Yes, water borne coal.

Q. You have never handled any coal from Nova Scotia by rail?—A. A very limited quantity—the rail freight rates are prohibitive—except in emergency cases.

Q. Have you any experience in the re-shipping of coal at Montreal and carrying it in lighter boats, barges, up the St. Lawrence to points, say, on the river or on the Lakes?—A. We operate a marine dock at Montreal and re-ship coal up the river to points such as Cornwall. We do not go much west of Cornwall.

Q. How many miles is Cornwall west of Montreal?—A. About 80 miles.

Q. Why have you not pushed on up the river?—A. Competitive market conditions will not permit of Canadian coal going farther up, that is to any extent.

Q. Now, can you give us some information as to the cost or the price of coal, say, Nova Scotia coal that you buy at the pit-mouth, as we would call it; what is the approximate Nova Scotia price?—A. You mean cost at the mines?

Q. Yes?—A. I am not in position to give you that, Mr. Flemming; we are more dock operators and distributors of coal, not so vitally interested in the actual cost of production at the mine.

Q. You see, Mr. Aird, what I want to get, if possible, is; first, the price or cost at the pit-mouth, then the transportation to Montreal?—A. Yes.

Q. And then when it is re-shipped, cost of re-shipping?—A. Yes.

Q. Then the transportation on the smaller boat or barge, to the point of delivery?—A. Yes.

Q. To try and get the total cost, and how it is made up; that is the information I am after?—A. I could give you a general idea, I think, Mr. Flemming, but I think it would be better to refrain from doing so. You can get that accurately from some of the Cape Breton operators; you see, we are more interested in the handling of the coal, as from its arrival alongside at Montreal, to the ultimate consumer.

Q. Are you familiar with the cost of transporting, say, from Cape Breton to Montreal?—A. In a general way.

Q. By water?—A. In a general way. I think it would be preferable not to express my opinion because I think that you can get it accurately, as I said, from some of the producers.

Q. Well now, will you give us some information about the cost of re-shipping and conveying it to Cornwall?—A. You are dealing with bituminous coals?

Q. Yes, from Nova Scotia, I am following that for a moment?—A. The figure of 50 cents a ton will take the coal out of a ship and put it into railroad cars for trans-shipment or put it direct on to lighters or craft for inland movement.

Q. That is good information. 50 cents will carry that cost?—A. Out of the ship back on to railroad cars or craft.

Q. About what is your cost from Montreal up, say, to Cornwall?—A. By vessel, including discharging, approximately one dollar, 90 cents to one dollar.

Q. The carriage then would be about 50 cents and the re-shipment re-handling about 50 cents?—A. The division might be a little different from that. Such movement as is made from Montreal is made by craft with self-unloading equipment on board and 90 cents to a dollar is the rate covering transportation and the unloading.

Q. Let me ask you; if you were to convey that coal farther west than Cornwall the cost would not be increased pro rata at all, not according to the mileage, would it?—A. Not according to mileage—

Q. Would you be able to give the Committee information as to what, in your judgment, it would cost to take the coal from the vessel in Montreal

Harbour and deliver it, say, to Kingston, as compared with Cornwall; just your judgment?—A. Kingston—I think a transportation rate of about approximately a dollar would be available, if going to wharves or docks equipped for the unloading of craft on its arrival there.

By the Chairman:

Q. Have they that equipment in Kingston?—A. Some of the plants have.

By Mr. Flemming:

Q. The matter of equipment at the wharves or docks would be very important, would not it?—A. It would be important?

Q. Yes?—A. Naturally it would.

By the Chairman:

Q. It would affect the rates?—A. Naturally.

By Mr. Bury:

Q. Let me ask this: I take it from that, that the price you have quoted in the case of unloading at Kingston—that is why it is important that there should be equipment at Kingston—your price is not merely to the dockside at Kingston, it includes unloading from the lighter or vessel?—A. No. I would say that, up to the present, at least, the movement of coal up the St. Lawrence from Montreal is very limited; Cornwall is the farthest west point that so far we have been able to reach. There are lighters of 1,000 to 1,500 tons capacity, mechanically equipped, that are able to perform that service and land the coal on the canal bank or at the wharf in Cornwall. Those same lighters may not be available for delivery to Kingston, but you can get an ordinary lake steamer, that brings down grain, to carry coal back from Montreal to Kingston at approximately, or possibly somewhat under one dollar. In that case, as these vessels are not equipped with discharging equipment, it is necessary that the receiver, or the dock to which the vessel goes should be equipped with some means of unloading.

Q. Do you mean to say that in the cases of where a vessel has unloading equipment on itself that you would still charge a dollar; that the dollar in that case would cover not merely transportation of the coal to the point at Kingston, but also the unloading of the lighter? What I want to get at is: In the price you quoted a minute ago from Montreal to Kingston, does that price include unloading at Kingston or does it not?—A. No.

By Mr. Howden:

Q. Not in either case; not in the case of a barge?—A. In the case of a barge to Cornwall it includes discharging.

By Mr. Bury:

Q. But to Kingston, did I understand—A. No, sir. I will put it this way; craft that might move from Montreal to Cornwall might not move from Montreal to Kingston, where you go out in the lake.

By the Chairman:

Q. Are those craft engaged exclusively in the coal transportation?—A. Lighters I referred to, yes.

Q. They are?—A. Yes.

By Mr. Armstrong:

Q. If I might ask a question, Mr. Chairman, it is this: You said that the boats that carry grain from Port Colborne, we still say, down to Montreal are capable of carrying coal back if necessary?—A. Yes.

[Mr. Harry Aird.]

Q. If those boats were equipped with unloading machinery could they not carry that coal at one dollar per ton from Montreal through to Kingston, Toronto, and Hamilton and unload it, with that kind of machinery, at that rate?

The CHAIRMAN: With the machinery now used on these barges?

By Mr. Armstrong:

Q. No, I do not mean that; I mean with up-to-date unloading machinery. Mr. Aird knows, I think, what I mean?—A. If there was sufficient volume, Mr. Armstrong, to warrant equipping of such craft.

Q. That is right?—A. I question if you would do it for a dollar, but a dollar to \$1.25, probably would bring your coal to Kingston and Toronto.

By Mr. Bury:

Q. I did not catch the last answer—from Montreal to where?—A. Kingston, Toronto.

Mr. ARMSTRONG: Hamilton, if necessary Port Colborne; back to where they load the grain.

By Mr. Howden:

Q. \$1.00 to \$1.25?—A. You would have to have volume to move, that is to warrant equipping of the boats.

By Mr. Armstrong:

Q. I quite understand that. Handling Nova Scotia coal in large volume, and these boats that leave Port Colborne with grain and go on through to Montreal, if they could be furnished with up-to-date unloading equipment, we will say they could deliver coal at Toronto, Hamilton or Port Colborne around about a dollar a ton?—A. I think you are too low, Mr. Armstrong, I think you would be safer around \$1.25.

Q. Why I make that statement is, that they are having load both ways?—A. Yes, but the despatch that might be available for the boats with the coal would be a factor in determining the rate available.

Q. The despatch with which they are loaded and unloaded?—A. Unloaded and loaded.

Q. I quite understand that; but I think you will agree with me that the loading and unloading machinery for the handling of coal has been wonderfully improved within the last few years?—A. Quite right.

Q. I know that in our district, in Western Ontario, we realize that?—A. Yes.

Q. Take from Toledo or Cleveland, it is marvellous what they will accomplish in those cities?—A. Pardon me, you will keep in mind that the tonnage moved out of such ports as those named, Toledo, and Ashtabula is very heavy as compared with any possible movement of Canadian coal by river.

Mr. ARMSTRONG: I quite understand that; but you will also remember that the boats bringing grain from Port Colborne down to Montreal are limited in the amount of grain they can carry and not so much limited in the number of boats. That is, there are plenty of them that would be, or could be made available for the carrying of coal back. However, that is the thought that I had in mind to emphasize; that is all.

By Mr. Bury:

Q. I just want to ask this: I am not clear in my mind yet. Would you mind giving us cost from the moment a shipload of coal from Nova Scotia comes to Montreal. Take every item in its order; transshipment into lighters or—take the lighters first—and then the freight after from Montreal down to Cornwall and

Kingston and Toronto, so that we will know that every element of cost is in; the dollar you mention, I take it, did not include the cost of transshipment at Montreal?—A. No, sir.

Q. Well, I would like that brought out clearly.

Mr. HOWDEN: Get the cost to Montreal to begin with.

Mr. BURY: He does not know that.

By Mr. Armstrong:

Q. Do you not know the cost from—

The CHAIRMAN: Do not get Mr. Aird confused. Now, get the other question first.

By Mr. Bury:

Q. Do not get mixed up. You have already told us that the cost to Montreal you would rather leave to somebody else?—A. Yes, the actual cost of producing coal and bringing it to Montreal.

The CHAIRMAN: Yes, and transshipment.

By Mr. Bury:

Q. You told us a minute ago you would sooner have somebody else tell that?

A. That should be furnished to you by Cape Breton operators.

Q. Coal right at the dock at Montreal; we want the cost from that moment until the coal—by items—gets down to Cornwall and Kingston, and, if you like, Toronto?

Mr. ARMSTRONG: Of course Toronto, and Hamilton too.

By Mr. Bury:

Q. Well?—A. I can give you that accurately, in so far as Cornwall is concerned, I can give you estimates or opinions as to the probable cost of putting it at Kingston or Toronto, but I would like to remark that up to the moment no such movement is taking place.

Q. Would you mind giving it to us, then, to Cornwall first?—A. To Cornwall?

Q. Yes, item by item, so that we will know just where we are?—A. I would say 50 cents per ton for discharging.

Mr. BURY: Yes, go on.

By Mr. Armstrong:

Q. Unloading into lighters?—A. Discharging and reloading into railroad equipment or lake craft.

By Mr. McLean (Melfort):

Q. It would be cheaper loading into lake craft than into the cars?—A. No, because the coal requires to be landed and reloaded to determine weights unless it was possible to trans-ship a particular lot over the side and in that case it might be a little less.

By Mr. Bury:

Q. What is the next?—A. You would have 7 cents per ton for the Montreal Harbour Commission's dues on the coal.

By Mr. Armstrong:

Q. And they collect that for what purpose?—A. Maintenance of the port.

The CHAIRMAN: Harbour dues.

The WITNESS: There would be one dollar per ton for transportation to Cornwall by mechanically equipped lighters, including discharging at Cornwall.

[Mr. Harry Aird.]

By Mr. Bury:

Q. That is what I want to get at. Adding those will give us the exact cost of bringing coal from Montreal dockside in the delivering ship.—A. Yes.

Q. To Cornwall dock?—A. Yes. I might mention, that the railroad rate from Montreal to Cornwall is also one dollar.

Mr. McLEAN (Melfort): That is competitive rate.

By Mr. Armstrong:

Q. Just before you leave that; do I understand you correctly? In the first place you make statement that the one dollar would include unloading of the coal from the boat to the barge and unloading it from the barge at Cornwall?—A. No, sir, 50 cents takes it out of the Cape Breton collier and tranships it into river or lake craft.

By Mr. Bury:

Q. Or on to the cars?—A. Or on to the cars.

Mr. ARMSTRONG: That seems very high rate.

Mr. BURY: Then add from there the rate by car or by lake.

By Mr. Armstrong:

Q. Are those towed barges or self-propelled?—A. In this particular case, towed barges.

Q. Just mechanically equipped?—A. Mechanically equipped for discharging.

Q. Supposing, now, you were shipping a whole cargo to Toronto, you could unload at Montreal, or wherever you would have to tranship, cheaper than 50 cents a ton?—A. It is possible in some cases that the 50 cents suggestion could be improved on.

Q. Yes. I mean, you would not have to land it over the wharf, when you are shipping the whole cargo forward?—A. No. I am giving you a general, average rate.

Q. Supposing you were shipping up to Kingston; do you think it feasible to ship to Kingston? What would be the effect of competition from American coal from Oswego coming over to Kingston?—A. That would be from Charlotte or Sodus Point, Oswego is an anthracite point.

Q. It would not enter into effect at all so far as Nova Scotia coal is concerned?—A. You have Sodus Point and you have Charlotte.

Q. What would be the effect at Kingston?—A. Anthracite rates from Oswego and Fairhaven to Lake Ontario ports average around 75 cents; I should think the bituminous rate would be in that neighbourhood.

Q. 75 cents to Kingston?—A. Yes; it might be safer to say 60 to 75 cents.

By Mr. Bury:

Q. Now we know exactly what the cost is to Cornwall. You have no idea, approximately, as to what additional cost there would be to Kingston, Toronto, Hamilton; you would not care to say that?—A. I could express an opinion as to what we might hope to be able to obtain were we looking for such service; I would say \$1.25 maximum.

Q. To where?—A. To Toronto, Kingston, and possibly Hamilton.

By Mr. Howden:

Q. Including unloading?—A. No.

By the Chairman:

Q. That would be transportation charges only?—A. Transportation charges.

[Mr. Harry Aird.]

By Mr. Bury:

Q. That is not in addition to the Cornwall cost; \$1.25 instead of \$1, is that what you mean?—A. \$1.25 instead of \$1.

Mr. BURY: That is an addition of 25 cents plus unloading.

By Mr. Bury:

Q. Plus unloading charges at these three further points of Kingston, Toronto and Hamilton, is that right?—A. That is right. Again I would like to repeat, were it possible to develop the market and create a large volume of tonnage you would improve these rates. A lot depends on what market you have and the volume you are going to move.

By the Chairman:

Q. The opinion you express now is based on conditions as they exist to-day, not as they would be if you had a large volume?—A. Not if you had a million tons or half a million tons to deal with.

By Mr. Howden:

Q. What further charge would there likely be with regard to the discharging of that coal?—A. That would depend on the consignees' facilities for discharging and the volume of tonnage which he could pass over his dock. The volume handled over any given dock regulates the cost to a very great extent.

Q. Well, but roughly; would an approximate cost of 25 cents a ton carry it?—A. I think that would be too low, I would say probably 40 cents.

By Mr. Bury:

Q. That is under present conditions?—A. Present conditions.

Mr. BURY: Subject to change with increase in tonnage.

By Mr. McLean (Melfort):

Q. Would that be with power on the steamer itself?—A. No.

Q. On the dock?—A. There are very few of the grain freighters or lake craft equipped with booms or winches, convenient for discharging; they are discharged by shore plants.

Q. They practically have not even got masts to carry booms on?—A. Some have, but very few.

By Mr. Armstrong:

Q. There is machinery, though, as you know, Mr. Aird, in operation to-day whereby the coal can be removed with machinery that is carried on the boats and up-to-date?—A. Yes.

Q. And I know it is being unloaded at a few cents a ton?—A. There are a few boats, Mr. Armstrong, equipped with self-unloading belts, let us say from Lake Erie ports to Port Colborne or Toronto, that will include in their freight rate the cost of landing cargo on the dock.

Q. At a few cents a ton?—A. Possibly; it is part of their freight rate.

By Mr. Bury:

Q. Those lighters are nothing but barges?—A. Lake steamers—

By Mr. Howden:

Q. Barges?—A. Yes.

Q. For towing?

[Mr. Harry Aird.]

By Mr. Bury:

Q. No, no. I am not talking about grain steamers, but the others, the vessels that would bring coal down from Montreal to Cornwall, Toronto, Hamilton and so on; would they be all the same kind?—A. Yes, they would be self-propelled canal type vessels.

By Mr. Armstrong:

Q. They could be equipped with this unloading machinery?—A. Yes.

By the Chairman:

Q. They are equipped for the grain trade. Returning with a cargo of coal of course, these boats would have a very much larger capacity than the barges employed in the business now.

By Mr. Bury:

Q. The barges employed in the business now; what barges do you use now going to Cornwall; are they simply lighters towed?—A. Lighters generally used for bunkering ocean vessels in the harbour of Montreal.

Q. Towed?—A. Towed.

Mr. BURY: What I had in mind is if the movement got under way these vessels would be substituted with self-propelled vessels.

Mr. ARMSTRONG: Grain vessels.

By Mr. McLean (Melfort):

Q. What capacity of vessels could go up the river from Montreal to Toronto Mr. Aird?—A. 2,000 to 2,500 tons.

Q. That would be the outside limit?—A. Yes, 2,500 would be an approximate maximum.

Q. I saw an item in the Citizen the other day—I think I gave it to you, Mr. Bury—about a new lake steamer having just arrived in Toronto from Scotland, from the Clyde, one day last week, Thursday or Friday, loaded with anthracite. I do not suppose you would have any idea of the capacity, or of what would be the load coming through?—A. The maximum capacity of a canal type steamer, generally speaking, to-day, is in the neighbourhood of 2,500 tons, exclusive of the ship's bunker coal.

Q. Carrying capacity?—A. Yes.

By the Chairman:

Q. And drawing how much?—A. 14 feet.

Q. That is the Cornwall canal?—A. Yes.

By Mr. Bury:

Q. Do you mean it would carry 2,500 tons of coal?—A. Yes. When you call on some of the vessel people you can probably get further detail on the operating costs and the rates.

By Mr. Armstrong:

Q. Are you in touch with any of the Canadian Merchant Marine vessels, in the way of handling freight?—A. No, except in so far as dealing with them for bunker coal supply.

Q. I understand that there are 12 of these vessels that are not in use and would be available for the handling of coal from the west to the east and from the east to the west; you have not had any information in connection with their capacity?—A. The Merchant Marine vessels of canal length I think carry between 2,500 and 3,000 tons when fully loaded but would not carry more than approximately 1,300 tons when lightened to canal draft.

[Mr. Harry Aird.]

By the Chairman:

Q. The object of utilizing boats of the Merchant Marine on the traffic, if it were possible, would be to bring coal from Fort William and Georgian Bay ports over the big lakes.

Mr. ARMSTRONG: I am just trying to find out whether any of those would be available for the purpose which we are now investigating.

The CHAIRMAN: The draft of the Cornwall canal is only 14 feet.

Mr. ARMSTRONG: The number of vessels I have given you were cited in an answer which I received from the Government this year.

By Mr. Bury:

Q. Mr. Aird, as I understand you, while these Government Marine boats can carry coal up the canal they could not carry as much as the other vessels to which you have been referring, they could only carry about 1,300 tons, I understand, while the other vessels can carry up to 2,500 tons?—A. Yes.

Q. So it would not be economical?—A. The Canadian Government Merchant Marine boats were primarily for ocean service, not for canal service.

Mr. BURY: They would not be economical to use.

Mr. ARMSTRONG: They would be available for upper lake traffic.

By Mr. McLean (Melfort):

Q. Aside from that, do you know the type of merchant marine boat Mr. Armstrong speaks of; do you know how it is equipped in the interior, with decks and so on? A. I think you should have some of these questions answered by vessel men; but the type of boat Mr. Armstrong refers to is a bulk freighter of the single deck type.

Q. That is what I want to get at. Now, those Merchant Marine boats are not bulk freighters with single deck, I take it?—A. They are.

Q. Merchant Marine boats?—A. The type referred to happen to be single deck bulk freight vessels.

Q. They would be quite economical provided you had the amount of water?—A. They are not, not for canal service.

Q. But if you had the water, depth of water?—A. They could load their maximum load.

Q. We want to be sure we are each speaking of the same boats. Mr. Armstrong was referring to Government Merchant Marine boats, you know what the boats he refers to are?—A. Quite a number of the Merchant Marine boats of canal size are of the single deck bulk freight type.

Q. Yes, and would be suitable, except for draft, for the lake service?—A. They can navigate the canals and doubtless would be suitable for upper lake trade.

Q. But could not carry capacity loads on the canals on account of?—A. On account of their draft.

By Mr. Bury:

Q. Assuming that barges had to be built, have you any idea of what the price of those barges would be, that is, the type of barge that you referred to that would carry 2,500 tons up the canal?—A. I would rather not express an opinion on that.

The CHAIRMAN: That would be in the event of getting sufficient volume to necessitate that.

The WITNESS: There are a great number of steamers trading via canal routes to-day that would be glad of the return freight.

[Mr. Harry Aird.]

By Mr. Armstrong:

Q. That is the idea; that, to my mind, is the proposition that we have to consider; that is, the boats that are now operating between Port Colborne and Montreal carrying grain are of the type that could carry coal back and carry that coal at lower cost than if they were just used for the carrying of coal one way, would they not?—A. I think that is quite right.

Q. And might I ask if proper unloading machinery could be placed on those grain boats, do you not think—or do you think proper unloading machinery could be placed on those grain boats and remain on them?—A. I would rather not answer that question, for this reason; if you build conveyers or belts or mechanical hoists on these grain boats you interfere or you reduce their carrying capacity of grain, as well as of coal. Then you come next to the question of the cost of equipping these vessels in such manner and what that capital investment will mean in additional freight costs; it is a calculation.

Q. I quite understand that; yet it is feasible?—A. I think it is quite feasible.

By the Chairman:

Q. If I understand you rightly, the installing of this machinery on board of grain boats and the capital investment would make it impossible for them to carry coal at the prices you have just stated?—A. No, Mr. Lapierre. I think they might be equipped to carry coal at approximately those rates provided you had the volume that would justify the equipping of the boats. You get back every time to the question of volume, in the movement that you are contemplating.

Q. If the volume were available, could these changes be made to boats engaged in the grain carrying trade profitably?—A. I should rather think, that if the volume, or if the market for the coal west of Montreal were large enough and could be developed it would be preferable to have such docks as were going to receive this coal equipped with their own discharging plants. The boats will carry more coal and carry it cheaper if you have your discharging facilities on the various docks; you will get a cheaper result in that way.

Q. Are there any unloading facilities at all at Toronto?—A. There are some.

Q. At Hamilton?—A. I am not sure about Hamilton; I would judge there would be.

By Mr. Bury:

Q. Mr. Aird, the bituminous coal that would be handled would be soft coal; can you say if the equipment for handling this at the dock, loading and unloading it, is very hard on the coal; does it break it up much?—A. There is a certain amount of breakage in re-handling of fuels by all methods of handling. Personally I am of the opinion that the modern plant with grabs does not break the coal very much more than the old method, for this reason; that if you have grabs taking two, and in some cases five tons of coal, the lips of the bucket come in contact with a certain amount of the coal and naturally crush it, but you have a big quantity of coal going in that does not come in contact with the mouths. Now, in the olden days when it used to be shovel and tub discharge, my opinion is that the continual friction of the shovel on, let us say, every 20 pounds of coal would cause as much breakage as the grabs do on the large amount.

Q. How much do the grabs take up at a time?—A. They run from one to five tons.

Q. One to five tons?—A. Yes sir.

By Mr. Howden:

Q. Does the coal not break in dropping?—A. Yes.

Mr. McLEAN (Melfort): Still they could drop it easily, if they wished to.

By Mr. Bury:

Q. What height do they drop it from?—A. It depends entirely on the plant.

Q. I mean, could you have a plant that would have no drop; could not that be managed, that the drop could be diminished?—A. Yes.

Mr. BURY: If the coal drops ten feet I do not see how bituminous coal is going to stand it.

Mr. GERSHAW: At Montreal it drops more than ten feet but not a great deal more.

The CHAIRMAN: Of course some coals are more friable than others.

By Mr. McLean (Melfort):

Q. There is no reason why the drop could not be lowered. Supposing I drop something, I can lower my hand down before letting it go and it would reduce the drop.

Mr. BURY: That is what I say, minimize the drop.

The WITNESS: They have belts, loading belts.

Mr. ARMSTRONG: These days a wharf can handle coal and deliver it with very little breakage.

By Mr. Armstrong:

Q. However, there is just one other question I would like to ask: Have you any definite knowledge of rates from Nova Scotia or Cape Breton ports to Montreal?—A. I do not know what the costs are this year. All, or practically all of the Cape Breton coal is transported in vessels owned by the collieries, or taken on time charter by the collieries. I should think, Mr. Armstrong, that the British Empire Steel Corporation would be the best people to give you the correct answer to that question.

Q. We have had a statement, have we not, to the effect that it costs 60 cents, if I remember rightly?—A. I would say—

Q. 40 cents to 60 cents?—A. No; trip boats going into Sydney to pick up a load of coal bound for Montreal would probably obtain 70 or 95 cents.

By Mr. Flemming:

Q. 60 to 90 cents?—A. Yes.

By Mr. Armstrong:

Q. If that is the case, then Cape Breton and Nova Scotia coal, according to your figures, could be delivered at Toronto and Hamilton for \$2 per ton, taking your charges which you have already stated and from Montreal to Toronto and Hamilton it would be about \$1.25?

Mr. GERSHAW: \$3.00.

Mr. ARMSTRONG: No, \$1.25—

Mr. HOWDEN: It figures up to \$3.00 a ton to Toronto and Hamilton.

Mr. McLEAN (Melfort): From Sydney

Mr. ARMSTRONG: How do you make the difference?

Mr. HOWDEN: I will give it to you; there is 50 cents to unload at Montreal.

Mr. BURY: Start your transportation right from Sydney.

[Mr. Harry Aird.]

Mr. HOWDEN: All right. Transportation from Sydney, put it down at 75 cents; 50 cents trans-shipping at Montreal; seven cents Harbour Commission; \$1.25 to Toronto; and 40 cents unloading; that gives you approximately \$3.00.

Mr. GERSHAW: \$2.97.

Mr. HOWDEN: You get \$2.97. There is your 75 cents from the Maritime—50 and seven cents for Montreal; \$1.25 to Toronto; 40 cents; that gives you \$2.22; add 75 cents to that.

Mr. BURY: \$2.97 I make it.

Mr. HOWDEN: I said approximately \$3.

The WITNESS: I think the better way would be to figure it at \$2.50 to \$2.60 alongside Toronto.

By Mr. Armstrong:

Q. \$2.60 what?—A. Alongside the different docks.

Q. At Toronto?—A. Toronto or Hamilton or Kingston.

Mr. BURY: Then if there is 40 cents unloading fee, that would make it just what Mr. Howden says, \$3.

By Mr. Armstrong:

Q. That estimate, though, is your estimate under present conditions?—A. Right.

Q. If proper loading and unloading facilities were used, and an open rate given to the boats that would carry grain to Montreal and Toronto, that rate would be materially reduced if it was a quantity rate?—A. I do not know that I would say materially, Mr. Armstrong, but it would be reduced to some extent.

By Mr. Flemming:

Q. And the volume of business would also be a factor?—A. The whole calculation depends on the volume, Mr. Flemming.

The CHAIRMAN: And there would be competition.

Mr. FLEMMING: And the facilities—

The WITNESS: There would be competition, lots of competition.

Mr. ARMSTRONG: Lots of competition with the boats that carry grain.

By Mr. Howden:

Q. With the most improved methods, Mr. Aird, would it likely reduce that \$3 cost more than 50 cents, the total of handling from Montreal to Toronto?—A. You are asking from Sydney.

Q. Yes, from Sydney?—A. Start with 75 cents from Sydney up.

Q. Yes?—A. Again I would like to repeat I am not expressing any expert opinion on that 75 cent rate.

Q. That seems about the average?—A. Yes. Then you come to 50 cents.

Q. For trans-shipping?—A. Re-handling at Montreal.

By Mr. McLean (Melfort):

Q. Just there. Is it reasonable to carry coal from Sydney to Montreal for 75 cents and charge 50 cents to unload it, to take it out of one boat and dump it into another?

Mr. ARMSTRONG: That is under present conditions.

Mr. BURY: We are dealing with present conditions.

Mr. McLEAN (Melfort): Yes, but Mr. Aird spoke of unloading it for weighing.

The WITNESS: It will cost in some cases less than 50 cents, it would cost in others more than 50 cents, depending again on how much you are handling, but if you had a large volume to move, I would say, yes, you could figure on perhaps a little less than 50 cents handling charges at Montreal.

By Mr. McLean:

Q. How is the coal unloaded at Montreal, is it unloaded by steamer power or by— —A. No, unloaded by modern plants.

Q. Colliers have not got their own unloading plant?—A. The vessels are equipped with booms, winches, but they are not used.

Q. Supposing there was traffic developed between there and Toronto, it would be a very simple matter for the collier to discharge its coal overside into— —A. With their own equipment?

Q. With their own equipment?—A. It would cost more money.

By Mr. Bury:

Q. Into a lighter beside it?—A. Yes. It would cost more money for this reason. Let us say a 7,000 ton Cape Breton collier comes to Montreal; her discharging time to-day is anywhere from seven hours to sixteen hours. If you put men in to use the ship's own equipment for discharging you will probably not get more than one thousand tons per day discharge and the cost of the vessel tied up for that length of time would run your discharging cost beyond what the modern plant will do it for.

MR. HOWDEN: I would like to have Mr. Aird follow that question up because I think it is a very important question. That is, what can be saved with improvements.

WITNESS: You are starting with 75 cents, 50 cents and 7 cents and then taking \$1.25. I think it is better to take a price delivered alongside the ports you mention, rather than have discharging rate included at such ports.

By Mr. Howden:

Q. Proceed then?—A. Eliminating your rate of 40 cents, you have the rate of approximately \$2.57. I do not think you could improve that rate much more than 25 cents.

By Mr. Armstrong:

Q. You think that with improved facilities and increased quantities you might reduce the rate to \$2.25?—A. You might bring the rate down 25 or 30 cents.

By Mr. Bury:

Q. That is, you might reduce it to \$2.25. Do those factors you are taking into account to diminish it, include the competition from other boats wanting return freights?—A. These estimates are made on the assumption that you would have, as we have to-day, a competitive market.

Q. So that you are taking in every conceivable factor in estimating that reduction?—A. Yes. You will understand that we are dealing with possibilities.

Q. I understand that.—A. If you could calculate on a definite tonnage, say 1,000,000 tons, or other definite volume, then a more intelligent estimate might be made.

By Mr. Armstrong:

Q. In other words, if you were able to cut out United States coal, and the Canadian market was given over to Canadian producers of coal, you could obtain from all these sources, material reductions in the handling charges on account of the volume?—A. You could obtain reduced cost figures.

By Mr. Bury:

Q. Mr. Aird, you mentioned one thing: You say that if we could specify definitely an increased tonnage, say a million or one and a half or, two million tons, we might be able to get down to concrete figures. If we made an assumption along these lines: first, that we were going to have a volume of one million tons a year over that route, or two million tons a year, do you think that on the

[Mr. Harry Aird.]

basis of that assumption we could get down to bed rock costs of transportation from Sydney to Toronto?—A. If you are making a calculation on a specific tonnage, and know the ports to which the coal would be going, and know the facilities for discharging and the rate at which the vessels could be discharged by the receivers, naturally you could get down to a definite calculation and get some definite proposal from the people operating terminal docks, and from the steamship people interested in the freight.

Q. Don't you think that it is all very well making a broad general statement that if we have a larger tonnage we will have a lower price? But don't you think we ought, for practical purposes, to make definite assumptions; if we could get a volume of one million tons a year, it would cost this amount; if we could get a tonnage of one and a half millions it would cost this; and a tonnage of two million, it would cost that amount.—A. I should think that the Cape Breton operators would be very happy to make calculations of that nature.

Q. As a practical man, would not that be about as useful a thing as we could do?—A. Yes sir. The big problem though is, unless government action is taken to prohibit the importation of American coal, whether a scheme of that kind is practicable. In other words, how far can Canadian coal meet the competition of the tonnage from Lake Erie, and let us say, the all rail movement into the Ontario market, unless it is subsidized by the government in some form or other.

Q. But we cannot know how far it will go until we get the bed-rock prices at which it will be delivered at these points, westward, and we cannot know that price until we make assumptions on a basis of a million tons a year, or on a basis of one and a half or two million tons a year, and if we were in a position to go to the government and say: we have ascertained that if we can get a volume of coal from the Maritimes to eastern Ontario of a million tons a year by this route, we could put it at these points at these prices and compete with American coal? It seems to me we will never be able to put up concrete, specific, definite figures until we do it on the basis of a tonnage.—A. You are familiar possibly with the fact that the British Empire Steel Corporation has made repeated efforts to place Cape Breton bituminous coal in Toronto; so far, unsuccessfully, from the point of view of price; they cannot enter the Toronto market and obtain a price that will let them out on their product. That is, to-day.

Q. On what tonnage?—A. A comparatively small tonnage, but I will say this; they have gone this far: they have a number of small vessels that can enter the canals and they have moved coal from Sydney to Montreal, lightened the ship at Montreal to canal draft, and proceeded to Toronto in the same bottom, and even at that, up to the moment, they have not been able to find a market in Toronto that would justify the continued movement of the coal, much as they desire it, and are still looking for a solution that will enable them to go up there.

By Mr. McLean (McFort):

Q. It is purely a price matter between them? That is, is the coal in itself satisfactory to Toronto? Is it just a question of dollars and cents?—A. I would think so. The Cape Breton coal is quite popular in our market; that is, the Montreal market. It is selling this year in very large volume.

Q. That is for industrial purposes?—A. Industrial purposes; railroad use; and steamship bunkers.

Q. It is not used for domestic purposes?—A. No.

By the Chairman:

Q. In your own line, do you handle both American and Cape Breton bituminous coal?—A. We have handled American on quite a substantial scale, but we are now specializing on the distribution of Canadian coal.

[Mr. Harry Aird.]

Q. Handling both lines, could you suggest any legislation, or any mode of transportation, that would favor Cape Breton coal as compared with American coal? In other words, is there any system, or legislation by which Cape Breton coal could replace American bituminous coal in Montreal?—A. It is replacing it to-day. The Montreal market to-day is very largely a Cape Breton market.

By Mr. Armstrong:

Q. That is so far as concerns bituminous coal?—A. Yes, so far as bituminous coal is concerned. I might say, that outside of the coal that is coming down for the Montreal Light, Heat and Power Company for gas making, and a limited tonnage coming down for metallurgical purposes, I think the market is almost entirely a Canadian market this year.

By Mr. Flemming:

Q. The Montreal Light, Heat and Power Company manufacture gas, and produce a certain quantity of coke?—A. Yes.

Q. Can you give us any information about the cost of coke and the possibility of making coke to take the place of American anthracite?—A. No, I am not in a position to answer that question. For some time the advisability of erecting by-product coke ovens in Montreal has been under consideration. Nothing definite has yet been arrived at.

By the Chairman:

Q. It has been a question of finding the capital for the enterprise, if I understand rightly?—A. Partly. And finding a market for the coke. Rightly or wrongly coke is classified by the domestic consumer as a substitute fuel, and you have got to educate the public to the use of coke as a domestic fuel, and until anthracite is eliminated I think it is going to be a very gradual process.

By Mr. Howden:

Q. Can bituminous coal from the Maritime Provinces compete with American bituminous coal on its own merits, ton for ton?—A. For general steam purposes, yes; in certain markets. Not in Toronto. It would, if you could land it there at competitive prices.

Q. I mean to say, on its merits; the actual value of the coal. Is it as good a coal as the other?—A. For ordinary purposes, yes.

By Mr. Armstrong:

Q. Why does not the gas company in Montreal use Cape Breton or Nova Scotia coal in larger quantities for the making of gas or coke?—A. I should think that the Light, Heat and Power Company would give you the best answer to that question; but my knowledge of it is this: that the Light, Heat and Power Company are looking for and prefer a coal with a low sulphur content. They buy coal running from .75 to perhaps 1.25 in sulphur as against the Cape Breton coal which averages, let us say, 2.50 to 3 per cent sulphur. For illuminating gas they prefer coal such as they can get from the American fields with low sulphur content.

Q. That sulphur content can be eliminated with a great deal of expense, can it not?—A. I don't think so. It is inherent in the coal. It is released as the coal is consumed in the retorts.

Mr. ARMSTRONG: They do it in other plants. I am satisfied that they could do it there. That is, they can take the sulphur from the gas.

Mr. HOWDEN: They have a steaming process.

Mr. ARMSTRONG: My reason for that statement is this: In western Ontario we use natural gas, in large quantities in the cities and towns throughout that

[Mr. Harry Aird.]

district. Two years ago we were supplied with the gas in the natural state, as it came from the wells. It contained a large quantity of sulphur. Then the gas companies put in appliances whereby that sulphur was removed so that to-day we have a splendid grade of gas without sulphur.

By Mr. Flemming:

Q. Then Mr. Aird, the reason that Nova Scotia bituminous is not used in Montreal for gas purposes is on account of the excess sulphur content?—A. Yes. As I understand it, the Montreal Light, Heat and Power Company find that certain American bituminous coals are more suited to the production of gas than the Cape Breton coal.

By Mr. Bury:

Q. Is this a fact? I understand that the coking scheme is only feasible where you are able to make use of the gas, because the gas is such an important by-product of the coking operation that unless there is a use for the gas, it is lost. Now, that being so, the American bituminous coal would be preferable even for coking purposes by reason of its gas being preferable. Is that right?—A. I follow your line of thought, and I would be inclined to agree with it but for Mr. Armstrong's statement to the effect that the gas can be purified and the sulphur content eliminated.

Q. I am leaving that out of account at present. Assuming there is no process of eliminating sulphur that would be true, but if as Mr. Armstrong says, there is a process of cheaply eliminating the sulphur from the gas, then the same objection would not obtain.—A. I am not a technical man and I would prefer not to express an opinion on that.

The CHAIRMAN: As we are going to have practical men before us, perhaps it would be better to leave that subject. Mr. Aird speaks as to transportation, and I think he has given us very valuable information.

Mr. BURY: Quite.

By Mr. Flemming:

Q. There is one point I want to get from Mr. Aird. You have been speaking of the cost of delivering coal at Kingston, Toronto, Hamilton and other water points. Are you familiar with the rail rates from Montreal to points back from the water where the American coal would have to go after it has crossed the lake or has come down the river, to points where it will be trans-shipped to the rails, to see if we could compete at those points. Are you familiar first with the rail rates from Montreal say, into eastern Ontario to points back from the waterfront?—A. Yes.

The CHAIRMAN: We can get that information from Mr. Hotchkiss. Can we not, Mr. Hotchkiss?

Mr. HOTCHKISS: You will find it on the chart, except the combination water rates.

By Mr. Flemming:

Q. Then let me ask you this, Mr. Aird. The cost of American coal would be greatly increased if it were required to be trans-shipped at the lake or river port and taken inland by rail?—A. It naturally would increase the cost; but what points have you in mind Mr. Flemming?

Q. All interior points back from the river and the lake. Take Ottawa for instance.—A. You would find that the competition in Ottawa would be on the direct through rail rate from the Pennsylvania mines. That would not touch the water at all. That would come direct by rail and would come to Ottawa for, I think, ten cents a ton less than the same coal would travel to

[Mr. Harry Aird.]

Montreal by rail. In other words, American coal coming into Ottawa direct from the mines, by rail, would land in Ottawa for ten cents per ton less freight than in Montreal. But Cape Breton bituminous coal coming to Ottawa would have to pay \$1.30 rail freight Montreal to Ottawa.

Q. But the water rate from Cape Breton, and the transfer to the rail at Montreal and the rail rate from Montreal to Ottawa, would all be about the same as the American rate I imagine?—A. Canadian coal is entering Ottawa to-day in competition with American. I might, without mentioning names, say that there is one of the largest pulp and paper mills here, being served at the moment with a 70,000 ton block of Canadian coal from Cape Breton direct to Ottawa; water to Montreal and rail to Ottawa. I might say, the Cape Breton collieries are taking very low prices for their coal in Ottawa. They are obliged to take these prices to meet the competition.

Mr. HOWDEN: But the combined freight rates would be manifestly greater than the American through rate.

The CHAIRMAN: The American movement is all rail.

Mr. HOWDEN: But the one rate is greater than the other.

By Mr. Bury:

Q. What is the American all-rail rate from the American mines to Ottawa?—A. \$4.13 I think it is.

Mr. HOTCHKISS: From the American mines to Ottawa, it is \$3.92 I think.

WITNESS: According to this chart the Westmoreland rate is \$4.11 from the Pittsburg field to Ottawa.

By Mr. Bury:

Q. Take the Cape Breton coal to Montreal; that is 75 and 50 and 7. And now what is the rate from Montreal to Ottawa?—A. \$1.30.

Q. That makes \$2.57?—A. Yes.

Mr. FLEMMING: \$2.57 as compared with \$4.11.

By Mr. Armstrong:

Q. Tell me why it is \$1.30 from Montreal to Ottawa and only \$1 per ton from Montreal to Kingston?—A. It is \$1 a ton to Cornwall. The mileage is greater to Ottawa. I think by rail Cornwall is about 77 miles from Montreal, and Ottawa is a little over 100.

Mr. FLEMMING: It is 114.

By Mr. Bury:

Q. You have not the price of the bituminous coal at the pit-mouth or on board the train at the American mines.—A. No, I would again refer you to the colliery operators.

By Mr. Gershaw:

Q. To confirm one thought about the cheapest way of taking coal, to transfer coal from Cape Breton to the car in Toronto would be about \$2.97. Now if you have the advantage of great volume, competition, and the best machinery, your estimate would be that that might be reduced to about \$2.25?—A. \$2.25 as against the \$2.57, not against \$2.97. We decided to leave out the discharging.

Q. Yes, that is right, \$2.57.—A. The \$2.57 might be reduced to about \$2.25; but these are estimates.

Q. Rough estimates I know, but that is your opinion?—A. Yes, and, assuming something that up to the present has not been shown to be practicable, can be worked out.

Mr. HOWDEN: You have to add the cost of unloading to that in any case.

[Mr. Harry Aird.]

By Mr. McLean:

Q. In the last preliminary inquiry, witnesses from Toronto told the Committee that it would be hard to deliver coal for domestic purposes in Toronto on account of the long haul from the docks, the water front, to the consumer. What is your experience in Montreal? You deal with that I presume?—A. Bituminous coal is not used in Montreal for domestic purposes.

Q. I understand that, but take anthracite, or assume that you are delivering coke made from coal landed on the water front; how would you be handicapped as compared with delivering coal unloaded from cars?—A. Domestic coal delivered in Montreal to-day, shipped by the D.L.&W., the D.&H., or Lehigh Valley, will go into, perhaps, 15 or more terminal points scattered throughout the city. Let us say that the average delivery would be \$1.50 from such points. Then I would say that the delivery rate from wharf terminals would perhaps run \$2.25, fifty to seventy-five cents per ton more.

Q. It would be handicapped 50 to 75 cents per ton more?—A. Yes, as a matter of fact, domestic coal is coming into Montreal both by water and by rail. British coals are coming in, in considerable volume, particularly the Welsh coal. That is all distributed from the water front.

Q. And it costs about \$2.25 to deliver it?—A. Approximately perhaps it would be covered at about \$2.

Q. Is that for delivery alone?

Mr. BURY: Or does that include the profit of the receiver?

By Mr. McLean:

Q. Yes, is that a spread?—A. No that is the cost of delivering it.

Q. Tell us something about the delivery?—A. It is about the same as in about every other centre; either by horse vehicles or motor trucks.

Q. Loose or sacked?—A. A lot of the coal is delivered in bags. Roughly 40 per cent of it.

By Mr. Bury:

Q. They bag it in the yard?—A. Yes, they bag it in the yard before delivering.

Q. For delivery in ton lots, either by team or motors, about what would that cost?—A. It would all depend on the zone. I would say that the minimum rate that the dealer would figure on would be about \$1.50 for loose coal, and probably run up to \$2.

Q. In the minimum zone?—A. No, I would say \$1.25 to \$1.50 per ton in the minimum zone, to \$1.80 and up to \$2.25 in the further removed zones. That is for delivery alone.

Q. What would that same coal cost coming in from the D.L.&W. to the most suitable terminal?—A. I would say then you would get down to perhaps the equivalent of your other minimum, from \$1.25 to 1.50. They cannot handle anthracite coal under approximately \$1.25 to \$1.50 a ton.

Q. It may not be pertinent at present, but can you tell us why the cost is so high for delivering it from a terminal station?—A. Congested traffic, and a fairly high rate of wages paid to the carters.

Q. About how high?—A. If you will give me an opportunity of preparing a memorandum on that, I will be glad to give it to you.

Q. Approximately, let us say?—A. I may say that I am interested as a director of Farquhar, Robertson Limited, one of the leading distributors. Their cartage delivery is all done under contract with a master carter, and I am using these rates as indicative of the average.

Q. Is the delivery done by carts or drays or motors?—A. Very largely by carts of approximately one ton capacity. Single lorries, double drays, and motor trucks are also used.

[Mr. Harry Aird.]

Q. With loads running from one to two tons?—A. One to five tons.

Q. The distance then and the congestion of traffic on the streets would be two of the principal factors?—A. Naturally they regulate the cost.

Q. And I suppose wages would not be higher in Montreal than Toronto?—A. No, I would not think so.

Mr. HOWDEN: In Winnipeg the teamsters are paid 75 cents a ton for delivering coal.

Mr. McLEAN: Yes, that is the usual price in the west.

By Mr. Flemming:

Q. I want to ask you, Mr. Aird, whether it would be feasible to take coal from Cape Breton, bring it to Montreal during the season of navigation, then trans-ship it by rail in the winter?—A. I don't think so. It could be done, but again we get back to the price which you could realize for the Canadian coal. In other words, if you store half a million tons of coal in Montreal for shipment by rail during the winter, you will immediately incur considerable cost per ton for placing the coal in storage and then re-loading from storage on the cars, before you begin to deal with the actual rail transportation.

Q. How much would that extra cost be per ton?—A. That is hard to answer. You would require a very large area of ground. The cost per foot of that storage ground would naturally affect the cost of re-handling. I would say it would probably cost 40 to 50 cents per ton to place it in storage and re-load it from storage exclusive of what you might pay for the rental of the space used.

By the Chairman:

Q. The space would have to be in close proximity to the handling facilities?—A. Yes.

By Mr. Flemming:

Q. If you were given 50 cents for trans-shipping to another boat; and if you were taking it out and storing it and putting it in a car, would that be increased by 50 cents additional?—A. I gave you 50 cents for discharging and loading into cars. The storage would be entirely apart from any figures we have used up to the present.

Q. But it would not be as much as 50 cents?—A. Again we get back to the point that 50 cents for terminal charge for current movement might be reduced somewhat with volume.

Q. But what I want to get for the Committee is this: The rail rate during the winter from Cape Breton to Montreal would be so much higher than the water rate, that the coal might be stored and re-loaded at much less cost than the winter shipment by rail. That is the point I have in mind.—A. Even at that, it is not a practical or logical movement. Cape Breton coal cannot come into Montreal by rail because of the prohibitive rail rate. Coal will move from Cape Breton to Portland, Maine, and come up over the Canadian National to Montreal, for considerably less money than it will move direct from the mines to Montreal, all rail.

By Mr. Armstrong:

Q. Would coal depreciate in value by being stored?—A. Yes, to some extent. The greatest objection might be in the exposure of the coal to the snow and wet, increasing the moisture content by the time it is ready for re-shipment to the consumer.

By Mr. Flemming:

Q. What is the comparison in moisture content between Nova Scotia bituminous coal and the American?—A. The inherent moisture content, generally speaking, is about the same.

[Mr. Harry Aird.]

By Mr. Armstrong:

Q. In answer to the question of the handling of coal in volume; if the Dominion government, we will say, were able to ask for delivery of one million tons of coal to Hamilton or Toronto, or Kingston, the cost of transportation of that coal would be materially reduced below the figures that you have placed on record, would it not?—A. It would be reduced, yes. I will not say materially, but it would be reduced.

Q. Is there not some way whereby orders could be given from cities like Toronto, Hamilton and Kingston for large amounts of eastern coal delivered at a certain price? Is that not feasible?—A. Possibly some of your Toronto and Ontario dealers will be able to give you more accurate information on that point; but I would say this, that from our knowledge of the Cape Breton coal as a general purpose product, there is no reason why it should not meet the requirements of Ontario consumers. Our largest pulp and paper mills in the Province of Quebec, are using the Canadian product. Our steamship lines, operating out of the Montreal Harbour, are using the Canadian product for their bunker supplies. Our railways are using the coal, and it is quite suitable.

By Mr. Bury:

Q. Mr. Aird, Mr. Flemming raised the question of storage. To get the cheapest rate from Cape Breton, and the Maritime Provinces, the winter or spring supply of coal would have to be shipped while the waters were open and before the ice came, and would therefore have to be stored in large quantities at Montreal and the other centres. As far as you know would the industrial plants that require this coal be in a position to store any considerable amount of their winter supply, or would it all be stored at their plants in central depots?—A. The majority of industrial plants carry a reasonable reserve stock at their plants. Beyond that, their requirements are supplied from week to week. Very few plants have accommodation for much of their winter requirements.

Q. Would they be able to store for two or three months?—A. Industrial plants on an average carry a reserve supply of two or three months coal. That is always placed there as a reserve against contingencies and emergencies.

Q. In other words, it is not drawn on at all?—A. Not generally, throughout the winter season. You will find that a lot of the plants will probably clean up their reserve stock, usually in the spring, after market and labour conditions for the ensuing year are known, and again accumulate a fresh reserve.

Q. Replacing their former reserve with fresh coal?—A. Yes.

Q. And what you say would be about the end of the winter?—A. Yes.

Q. If that is so, we cannot rely upon the industrial plants assisting in providing storage of the coal during the water movement?—A. Not to any great extent. You would have some exceptions.

Q. Leaving out the exceptions there would have to be enormous storage facilities during the water movement in the chief centres like Montreal and Toronto?—A. The storage facilities would require to be increased at least to the extent of the additional winter market expected.

Mr. BURY: And not only that, but the storage facilities would have to be increased so as to get, if possible, the whole coal output during the water movement, so that we might not have to rely upon winter movements and the train haul.

By Mr. McLean:

Q. They have got storage facilities now in Montreal, have they not, for their own use?—A. Yes, take the railways. The Canadian National will take between 400,000 and half a million tons of coal during this season of navigation, of which perhaps 200,000 will be taken over to a fuel yard and stored there for winter supply.

[Mr. Harry Aird.]

Q. Taken over by water?—A. No, switched over on their cars.

Q. It is unloaded from the steamers on to their cars?—A. Yes, and shunted to the storage piles.

By Mr. Bury:

Q. If we could get the coal movement from the Maritimes completed during open navigation, so as not to require to do any freighting after the close of navigation, by rail, would that require much increase in the storage accommodation at distributing points?—A. Yes, unless the proposition that would be available to the consumer of coal in Toronto or whatever other markets it went to were sufficiently attractive to warrant their receiving and storing their supply themselves. In Montreal some of our cement plants, using a large tonnage of coal, receive their coal and have storage for it. The same applies to some of our sugar refineries; they receive their coal in the season of navigation and store it. On the other hand, there are a great many, and I would say the majority of the industrial plants, that want their coal supply week by week, with the exception of the emergency reserve which they carry.

Q. So there would have to be a considerable increase any way in the storage area?—A. Yes, either one place or the other.

By Mr. Armstrong:

Q. You made the statement that the Canadian National store about 400,000 tons of coal in Montreal?—A. No, I said they receive 400,000 to 500,000 tons of coal at Montreal, of which about 200,000 tons is stocked. The quantity of storage could doubtless be ascertained from the General Fuel Agent of the Canadian National. I am only giving approximate figures.

Q. Could you tell us about how much of that is Canadian coal?—A. That is all Canadian coal that I am referring to.

Q. Nova Scotia coal?—A. Yes.

By Mr. Bury:

Q. Is that stored in the open or under sheds?—A. In the open about ten to twelve feet high.

Q. In banks?—A. In banks, and ventilated.

By Mr. Armstrong:

Q. Does the C.P.R. use Canadian coal largely?—A. In the east yes, but I understand that for some reason they prefer to bring their Montreal requirements from Pennsylvania, hauling it themselves from the American gateways.

By Mr. McLean:

Q. You speak of steamers using Montreal coal and bunkering with it? Do they take it west of Montreal?—A. I referred to the liners; the White Star and Cunard, etc.

Q. They are going east? Do the lake boats take any Canadian coal out of Montreal?—A. Yes, a limited quantity.

Q. But the bulk of their coal used on the lakes, would be American coal?—A. Yes.

Q. One question asked a while ago, Mr. Chairman, I would like to be clear on: The extra cost of handling coal in and out of storage as compared with in and out of steamer; the difference in costs. For instance, you quoted 50 cents as the probable cost of loading out of steamer on to cars, during the navigation season. Against that Mr. Flemming was asking about unloading from steamers into storage and out of storage on to cars.—A. They are two distinct operations. The movement to storage piles, unloading, and later re-loading, is an additional operation.

[Mr. Harry Aird.]

Q. I mean the cost of handling the coal back on to the car again?—A. I expressed the opinion that to place coal in storage, where you have to move it by railway cars, and re-load it from there, would probably run from 40 to 50 cents.

Q. Why load from the steamer into the cars? Could you not unload direct into storage?—A. No, not in the quantities you speak of now.

Q. You have not a sufficient storage area in Montreal?—A. The present storage area in Montreal is utilized to its maximum capacity now, and further provision would probably require to be made.

Q. You have not got sufficient storage area there for an anticipated greater movement of coal?—A. No, not at present.

Q. I mean using the present established wharves?—A. The cost of space on the water front would probably be found too expensive for the purpose of storing large reserves of coal. You have to get your coal to cheaper ground.

Q. Surely, but is there no cheaper ground along the river front there, or on the island where a steamer could pull up and unload into storage and leave it there?—A. We do that to-day for current shipments requiring temporary storage.

Q. You mean to make a special wharf at the storage?—A. Yes, we do that to-day. We will take coal out of a carrier and put it in the cars or carry it back into storage, but the storage accommodation is limited.

Q. But anticipating an increased movement of eastern coal?—A. It could be done quite readily if additional wharves were built by the harbour authorities with the required storage space.

Q. What would be the approximate cost of putting coal into that storage and loading it into the cars again, as compared with taking it from large steamers to smaller; taking the cost of handling into cheap storage and out of that storage into cars, later in the season? Perhaps you have not figures on that?—A. I would be glad to make a calculation, but first of all you require space, which at the moment is not available.

Q. But is there not sufficient space on the island?—A. Yes, there is ample space available for development.

Mr. McLEAN: Assuming that you have up-to-date wharfage and storage such as at Fort William, and at points where American coal enters into competition with Canadian coal——

Mr. BURY: You mean to say, that Mr. Aird should put out of his account altogether the provision for the cost of a new wharf and new storage facilities assuming them to be in existence and that we should go into the cost of that later on. Supposing that instead of coming up to your railway wharf for the purpose of unloading into either lighters or cars, your boat came up to a new wharf or new storage, then what would be the cost of unloading that boat into storage direct, and then later on what would be the cost of loading from the storage on to cars or lighters?

By Mr. McLean:

Q. Yes, the reason for my question and I take it Mr. Flemming's also, is to find out what additional cost there would be in loading out of storage on to cars later on, perhaps in the winter time.—A. If additional wharf accommodation, including storage capacity, is made available, enabling modern plants to discharge direct into storage, and reclaim the coal, the rate of approximately 50 cents already named would probably cover the cost, providing the rental of the property is not excessive.

Q. The cost of rental would be additional; the cost of unloading and handling and loading later on, would be the same, it would stand?—A. Yes.

[Mr. Harry Aird.]

By Mr. Howden:

Q. If you did not have sufficient storage room you would have to move it backwards?—A. Take the case of the Canadian National railways: They bring coal into Montreal which they have to receive during the season of navigation. There is not sufficient storage capacity for the coal companies to store the tonnage and re-deliver it as they want it. They have to put it on railway cars, switch it to a dump, unload it, and then reload it when required.

By Mr. Flemming:

Q. They would require storage at a point where the ground is not too expensive?—A. Yes.

Mr. BURY: Mr. McLean's question is confined entirely to the additional handling charges, and not the cost of land.

By Mr. McLean:

Q. Mr. Hotchkiss says there is perhaps a misunderstanding on my part. My question was as to the cost of taking it out of the steamer, moving it into storage, and perhaps three months later on, taking it from storage and loading into cars; the cost of the two operations, as compared with the cost of taking it out of the steamer to-day and putting it in a car or in a river boat in a day or two.—A. The rate of 50 cents would cover this operation providing the coal was within reach of the plant, and the available storage capacity permitted of stocking for extended periods.

By Mr. Bury:

Q. And it would not make any difference if the last part of the operation was three months afterwards?—A. No.

Mr. McLEAN: I think that is clear.

The CHAIRMAN: It is now one o'clock. We thank you very much Mr. Aird, and you are excused.

Witness retired.

The Committee adjourned until Friday, May 28.

COMMITTEE ROOM NO. 436,

HOUSE OF COMMONS,

FRIDAY, May 28th, 1926.

The Special Committee appointed to investigate our present sources of supply of anthracite and bituminous coal, the dependability of such sources and other matters in relation thereto, met at 11 a.m., the Chairman, Mr. Lapierre, presiding.

Moved by Mr. Cantley that the fuel agents of the Canadian Pacific Railway Company and the Canadian National Railways be asked to appear before the Committee and bring with them detailed information as to the tonnage of coal used on the road, and to give some explanation as to why they use one coal or use another coal.

Motion agreed to.

C. P. HOTCHKISS called and sworn.

By the Chairman:

Q. Mr. Hotchkiss, you are the secretary of the Dominion Fuel Board?
—A. Yes, sir.

Q. You have been in that position how long?—A. Three years.

Q. Have you made a study of coal freight rates, during the past year?—

A. Yes, sir, I have.

Mr. GARLAND (Bow River): Mr. Chairman, may I suggest this, that the Committee, in order that they may get all the information possible, request that witnesses, especially experts like Mr. Hotchkiss, should make a statement of sufficient length to cover the general features of the testimony they wish to give to the Committee.

The CHAIRMAN: That has been decided upon already, Mr. Garland.

Mr. GARLAND (Bow River): And that only the most necessary questions be asked.

Mr. HOWDEN: I would suggest, Mr. Chairman, that the witnesses be not interrupted too frequently.

By the Chairman:

Q. You have a statement to make, Mr. Hochkiss?—A. Yes, sir. I may say, Mr. Chairman, that when the Chairman of the Fuel Board was heard, he gave you a general outline of the work of the Board; he indicated that we had collected a great deal of information on various phases that related to our fuel problem. He indicated that the Board considered at the outset the most important problem that faced them was a supply of domestic fuel in central Canada.

We first investigated the various sources of supply and we have since that time been endeavouring to introduce competitive domestic fuels into the markets of central Canada. We considered the most serious aspect of the problem was that we had become wholly dependent upon a single source of supply, and that a foreign one, closely controlled by a group of powerful interests; also that the quality of the coal we were getting was deteriorating, and the price increasing from year to year.

At that time we imported annually between four and a half and five million tons of American anthracite into Canada, and I believe that our Board has had something to do with improving our position in that respect. To-day, we import something over one million tons less than we did three years ago of that fuel, and coke, low volatile coal, and British anthracites are now strong competitors in this market, which improves the general fuel condition of affairs, as was evident during the last strike.

More recently we have turned our attention to industrial coal, and we have collected considerable information regarding the market, the laid-down prices of different competitive fuels, the cost of transporting our own coals from the east and from the west, and the possibilities of extending the markets for those coals. We have made a study particularly of the market in the area between Quebec and Toronto and Hamilton, which might be considered the highly competitive area, and where it is hoped that eastern coal may get into. We consider that it is impossible for western industrial coal to get into the Ontario market, and I think you might as well rule that out of your considerations. I say that in regard to western Canadian industrial coal we consider it impossible to get western industrial coal into Ontario and Quebec.

By Mr. Bury:

Q. Is that the general concensus of opinion, Mr. Hotchkiss?—A. Yes, sir.

By Mr. Armstrong:

Q. You mean it cannot compete with American coal?—A. American, eastern and British coal.

By the Chairman:

Q. Is that the conclusion you have arrived at, after your survey of the whole situation?—A. Yes, sir.

[Mr. C. P. Hotchkiss.]

By Mr. Armstrong:

Q. By eastern, you mean, Nova Scotia coal?—A. Yes, sir, Nova Scotia and New Brunswick coal.

By Mr. Garland:

Q. Do you mean that for Toronto?—A. Toronto, North Bay and Fort William. I think something might be done to put western coal into the Winnipeg market, and it might be possible to extend that market into the adjacent western states. At least that is the hope of the western industrial producers.

By Mr. Armstrong:

Q. What is the duty on coal going into the United States, such as that?—A. Fifty cents per ton.

By Mr. Flemming:

Q. When you say that in regard to western industrial coal, are you making a reservation in regard to domestic coal?—A. That is an entirely different matter.

By the Chairman:

Q. This is industrial coal, that you are speaking of?—A. Yes. There is a considerable quantity imported. Industrial coal goes into Winnipeg at the present time, and if western industrial producers can barely compete in Winnipeg, it is hopeless for them to think of getting into Ontario.

By Mr. Armstrong:

Q. What are your reasons for making that statement?—A. That coal can be laid down at any of the points I have mentioned, for less than the lowest freight rate that has been thought of to get western coal down to Ontario.

Q. What coal, and from what districts?—A. From the industrial coal mining districts in the west.

Q. But what coal competes with the industrial coal from the west?—A. United States bituminous.

Q. From what mines?—A. Pennsylvania and West Virginia.

Q. In Winnipeg?—A. Yes, sir.

By Mr. McLean (Melfort):

Q. That coal was sold all over the province until recently?—A. I do not say that western coal cannot compete industrially in Winnipeg; I was telling you of the competition that has to be met at the present time. American coal does compete at the present time there.

By Mr. Armstrong:

Q. Are you intimating that it can take away the market at Winnipeg?—A. Not at all.

By Mr. Bury:

Q. If the competition is at all keen in Winnipeg, the farther east you go, the more hopeless it is to compete?—A. Yes, exactly.

MR. ARMSTRONG: That was the same story as was told before, that Alberta might ship her coal east to Winnipeg for instance. She now has control of over 80 per cent of the domestic coal.

MR. FLEMMING: The witness is referring to industrial coal, not to what is known as domestic coal shipped from Alberta into Ontario and over the province of Manitoba and elsewhere.

[Mr. C. P. Hotchkiss.]

Mr. ARMSTRONG: I am aware of that, Mr. Flemming, but the same stories were told with regard to domestic coals, previous to the last few years, and, the provincial government of the province of Alberta, as I understand it, have been able to assist in putting the coal into Winnipeg, and taking the market away from the Americans.

WITNESS: Well, sir, you have to face the facts as they are, and I think that you will admit that some difficulty is being experienced in introducing the Alberta coal into the Ontario market, to compete with a fuel which costs from \$15 to \$17 per ton. If you are thinking of trying to get another class of coal in to compete with coal which can be bought for from \$5 to \$7 a ton, you will see your additional difficulty.

By Mr. Armstrong:

Q. But these differences are not likely to remain there very long, are they?
—A. I do not quite understand your question, Mr. Armstrong.

Mr. McLEAN (Melfort): You are meeting Nova Scotia water-borne coal, as soon as you get into the eastern market.

By Mr. Armstrong:

Q. The prices of Pennsylvania coal have been increasing from year to year, have they not?—A. Are you speaking of bituminous coal?

Q. I am speaking of anthracite?—A. Yes.

Q. You were talking of industrial coal?—A. I was speaking entirely of industrial coal. I was speaking of the phase of our work which has to do with industrial coal, and it should not be confused at all with domestic coal.

Mr. CANTLEY: May I ask a question, Mr. Chairman?

The CHAIRMAN: Certainly, Col. Cantley.

By Col. Cantley:

Q. I understand that as far as steam coal is concerned, in Winnipeg you have strong competition with American coals?—A. Yes, sir.

Q. What do you think is necessary to do by way of legislation, or in the way of freight rates to command the entire Winnipeg market for steam coal?—A. I do not think I should be asked to suggest legislation.

Q. I am not asking you to suggest legislation, I am asking you what would be necessary by way of tariff and by way of freight rates to enable you to command that market entirely, to the exclusion of American coal? (No answer).

By Mr. Bury:

Q. Perhaps, Mr. Hotchkiss, you can tell us this? What additional margin of benefit, however it might be obtained, whether by legislative enactment or by any other means whatsoever, lesser freight rates, or whatever it may be—what additional margin of benefit would be sufficient in order to capture the market for the industrial and steam coal in Winnipeg, for Alberta steam coal; we have not got to forget this, that as soon as you have applied that extra margin of benefit, the Americans will drop just that much in order to come in, and you will have to be prepared to face that situation?—A. That is right.

Mr. McLEAN (Melfort): I would suggest that we ask Mr. Hotchkiss to go on with his story.

WITNESS: I could answer Col. Cantley, or get the information easily to answer him in perhaps a satisfactory way. I can tell you the approximate laid-down cost of American coal, laid down in Winnipeg, and I can give you the freight rates from the Alberta mines into Winnipeg, and you can see what that coal has to be sold for in order to compete in Winnipeg.

[Mr. C. P. Hotchkiss.]

By Mr. Howden:

Q. Would they not have to bring that steam coal from the mountains?—

A. No sir. From Alberta.

Q. I had an idea that the only steam coal we could get in western Canada would come from the Crow's Nest? (No answer).

By Mr. Armstrong:

Q. It is the freight rates, in your opinion, and the cost of production, that allow the Americans to have that market at present?—A. Yes, sir.

By the Chairman:

Q. Now, Mr. Hotchkiss, will you give us that information. Have you that information?—A. Yes, sir. American steam coal can be laid down in Winnipeg for from \$8 to \$8.50 per ton.

By Mr. Cantley:

Q. Is that a ton of 2,000 pounds, or 2,240?—A. 2,000 pounds. It is easy to arrive at how that is made up. The freight from West Virginia into the boats at Toledo is \$1.99 per net ton; the freight up the Lakes is approximately 40 cents; about 50 cents for unloading charges, and \$3.40 freight from Duluth or Fort William to Winnipeg; and 50 cents duty. These are the carrying charges from West Virginia into Winnipeg.

By Mr. Bury:

Q. What do they come to?—A. \$6.79.

Q. That leaves how much for the coal at the pit-mouth?—A. That leaves, from the figure I quoted, from \$1.21 to \$1.71.

Q. They must be selling it for at the pit-mouth?—A. Yes.

By Mr. McLean (Melfort):

Q. Is that for run of mine coal?—A. Yes.

By Mr. Bury:

Q. That of course is delivered to the dealer?—A. Yes.

Q. The distributing costs would have to be added?—A. That would be on the car right at the consignee's siding, the industrial user's siding. Now, we have the freight rate from the Crow's Nest, I believe of \$5.20 which leaves \$2.80 at the mine to meet the \$8 price in Winnipeg.

Q. That is \$8 you say?—A. Yes.

By Mr. Cantley:

Q. Did you say \$2.08?—A. No sir, \$2.80. Now, there is a little Canadian industrial coal getting into Winnipeg even now; that is, they are just barely able to meet competition, and there are claims that American coal is dumped in Winnipeg.

MR. ARMSTRONG: How much American coal is delivered in Winnipeg, say in a year?

MR. BURY: Do you mean industrial coal?

MR. ARMSTRONG: Yes, I mean industrial coal.

WITNESS: Unfortunately, our statistics do not separate coal used at the head of the Lakes, and coal used in Manitoba, and we have been unable to get the Bureau of Statistics to give us that information.

MR. McLEAN (Melfort): It will be close enough, because at the head of the Lakes the amount would be small.

[Mr. C. P. Hotchkiss.]

By Mr. Armstrong:

Q. Give both Winnipeg and the head of the Lakes?—A. In 1925 there was nearly one million tons imported to the head of the Lakes and Manitoba. In 1924, there were over two million tons.

By Mr. Bury:

Q. Industrial coal?—A. That does not mean that that market has been taken to that extent, but it means variations in two years. You can see how that occurred; the railways were pretty well stocked up with coal, and they did not have to buy as much as in the previous year.

Q. That is railway coal?—A. That is railway coal.

By Mr. Armstrong:

Q. Do they use that American railway coal west of Winnipeg?—A. I believe they have used it as far west as Biggar.

By Mr. Bury:

Q. Have you any idea how much industrial and steam coal comes from the head of the Lakes to Winnipeg. You have been dealing with the head of the Lakes and Manitoba?—A. The head of the Lakes and Manitoba?

Q. Take the same places, the head of the Lakes and Manitoba, and give us statistics as to how much of our Canadian industrial coal comes down there?—A. They group all that, both domestic and industrial.

Q. But that is a mistake?—A. Yes. I know that there is only about—I do not believe there is more than 50,000 tons of Canadian industrial coal.

By the Chairman:

Q. That reaches the head of the Lakes?—A. No, Winnipeg.

By Mr. Bury:

Q. But that comes to the head of the Lakes, and Manitoba; that comes into competition with the one and a half or two million tons you have just referred to?—A. I will qualify that by saying that there is a quantity of Saskatchewan lignite used in Manitoba.

Q. Is that used for industrial purposes?—A. Yes. I am taking bituminous coals that would compete normally with this coal. I only know of two contracts that have been let to Canadian bituminous producers, in that market.

Q. Where are they? In the Crow's Nest?—A. Yes.

MR. BURY: That bears out, Mr. Chairman, the statement made in the paper written by Mr. James Church, a mining engineer of Edmonton, an English mining engineer, who read a paper on this very Alberta coal question before the Alberta Branch of the Canadian Institute of Mining and Metallurgy, this month, in which he said that the steam coal market could not concern us (i.e. Alberta), because we have no steam coal to compete with other Canadian maritime or American bituminous coal.

Now, I do not know whether Mr. Garland, who knows the coal situation in Alberta better than I do, is of the same opinion, generally speaking?

MR. GARLAND (Bow River): I am.

THE CHAIRMAN: You came to the conclusion that the results of our inquiry in 1923 showed the same thing?

MR. BURY: Yes. It would save us from barking up trees that had not coal in them.

THE CHAIRMAN: That was the point of the discussion in 1923.

MR. HOWDEN: In the report of the Senate Committee it is shown that the president of the Canada Cement Company gave evidence that they burned

[Mr. G. P. Hotchkiss.]

nothing but American coal in all their plants, with but one single exception, in Canada, they actually moved American coal away out to Alberta and burned it there for steam.

Mr. GARLAND: There is very little industrial coal from outside of Alberta, introduced into Alberta. For instance, we have looked for markets across the border. We looked with some fear upon our development which might result from a change in the tariff.

The CHAIRMAN: That was in order to have access to the American market.

Mr. McLEAN (Melfort): I do not like to be harsh in this matter, Mr. Chairman, but we suggested at the start that the speaker should be given an opportunity to develop what he has to say.

Mr. HOWDEN: It puts out the idea of American steam coal competition in the markets of western Canada for some time.

The CHAIRMAN: That is all right. Proceed Mr. Hotchkiss.

Mr. GARLAND: I want to say this, in qualification of my remarks, that I think by having extended markets for industrial coal in Alberta, we would be able to lessen cost of production, so that with favourable freight rates, we would be able to compete in the Winnipeg markets. Further than that, I do not think we shall be able to go. But we would like to get into the Winnipeg market.

The CHAIRMAN: You do not say that with lower freight rates, and lower cost of production you would be able or might be able to compete more favourably with American coal in Winnipeg.

Mr. BURY: That would follow from a bigger mass production, lower freight rates and a larger outlet. I would like to support what Mr. Garland says. I think that as far as our Alberta industrial coal is concerned, we cannot hope to come farther east until we have captured the American market.

By Mr. Armstrong:

Q. Just one question and it is this: Your information is that it will not be possible for western coal to compete with the American product in the eastern market without lower mining costs and lower freight rates as far as the head of the Lakes?

Mr. McLEAN (Melfort): Industrial coal?

Mr. ARMSTRONG: I am talking about industrial coal. I would hate to think that a forty cent rate from Winnipeg, which is the rate east to Port Arthur and Fort William, be paid and that it would be impossible for Canadian miners and railroads in the west to carry coal as far as Port Arthur and Fort William.

Mr. BURY: You mean industrial coal.

Mr. ARMSTRONG: Industrial coal.

The WITNESS: I would entirely support what has been said by Mr. Garland and Mr. Bury regarding the Winnipeg market; in fact I think that that should be a market for Canadian coal, as we have a differential in carrying charges in our favour at the present time of nearly \$1.50, counting in the duty; a dollar alone in freight. I think it will be difficult, practically impossible under present conditions for Canadian industrial coal from the west to reach Fort William as there is a freight rate from Winnipeg to Fort William alone of \$3.40.

Mr. ARMSTRONG: What is the difference in the distance?

Mr. McLEAN (Melfort): 472, is not it?

Mr. ARMSTRONG: Between the mines west of Winnipeg and the mines in the east from which coal is taken.

The WITNESS: I could not tell you offhand, sir, but the fact that part of it is water transportation makes a great deal of difference.

[Mr. C. P. Hotchkiss.]

The CHAIRMAN: The coal is landed at the head of the Lakes by boat.

Mr. BURY: Is not this the position, Mr. Chairman? If Alberta steam coal can get the Winnipeg market and the Manitoba market around Winnipeg, it will then have attained such a mass production and probably lower cost of output, when it has got the whole of that market, as to be in a better position to say then whether it cannot creep a little further east. Surely, until it has got that market and is producing in greater mass production than it is at present, we cannot hope to creep further east. When we do get that market we will be in far better position to creep further east.

Mr. GARLAND: I think we can pass on to another page of this report, we are all in agreement on it.

The CHAIRMAN: Go right on.

The WITNESS: I think that when it comes to a consideration of our eastern problem and the possibility of their extending their market westward there is room for a good deal of study. We have compiled tonnages of over a million tons, I might say spotted them, which are consumed in this competing area, and it seems to me that it might well be the work of this committee—if you will pardon me for suggesting—to look into the laid-down costs of the two competing fuels in this area, and you can thus arrive at what is necessary to be done to place native coal in that area.

The CHAIRMAN: That is what would be practicable.

The WITNESS: Now, that concludes my general statement, I am in the hands of the Committee.

By Mr. Bury:

Q. Can you give us those areas?

By the Chairman:

Q. What are the places that you have spotted that require to be investigated?—A. The area along between Montreal and Toronto.

By Mr. Armstrong:

Q. Have you not investigated that area to some considerable extent?—A. Yes, sir.

Q. What are your results?—A. Our Board at the present time has just undertaken what we are terming a Fuel Power Survey. That is a big undertaking and the object is to spot all the imported coal that comes to Canada and arrive at the figure of laid down cost of that coal, and then it is possible to calculate the laid down cost of eastern coal. In Toronto American industrial coal can be laid down for under \$5 a ton.

By Mr. Bury:

Q. F.o.b. Toronto?—A. Yes. It is a little difficult to give you any definite figures as to the difference in price, although I think you should get that, and you can by calling Eastern operators who can give you the figures that are necessary to calculate the price of the Canadian product.

By the Chairman:

Q. That is the eastern mine operators?—A. Yes, sir. American coal can be purchased at the mines to-day for between \$1.25 to \$1.75 for slack, and run-of-mine from between \$1.50 to \$2.50, depending on the quality and what it is used for. You have right here (indicating) the freight rates from your different fields; you add those freight rates to these costs at the mine, and add your duty,

[Mr. C. P. Hotchkiss.]

and you have the laid down cost at any point you want. Of course, I must point out that there are different conditions that arise possibly in every contract; that is, a particular quality of coal is wanted; there may be extra switching charges to certain plants; water transportation may be available part way; unloading facilities may be good in one place and more expensive to unload, we will say, at another place. So each individual contract is a particular problem. If you want an average price you can get it by adding to these mine prices your freight rate and duty; you then know what your Canadian product has to do to get in there under present conditions.

Q. Has there been an increasing demand for Canadian coal, to your knowledge, within the last few years, Mr. Hotchkiss, in that eastern area?—A. I would say that the consumers are more anxious to-day than they were two or three years ago to favour Canadian coal.

By Mr. Bury:

Q. Is that for patriotic reasons or because they think it is better?—A. I would say it is for patriotic reasons.

By Mr. Howden:

Q. Have you been talking about coal generally, or have these remarks been referable to industrial coal?—A. Industrial coal.

Mr. BURY: I think it would be wise for us all to use the term "industrial", for this reason: You pick up the evidence at a certain page and you cannot go away back to the beginning to find an introductory statement, and you are perhaps inclined to be misled by picking up a reference in the middle.

By the Chairman:

Q. Is there very much American industrial coal coming into the Montreal market?—A. The C.P.R. use a considerable amount of American coal.

Q. That is brought in by boat, is it?—A. No, I would say it is brought to the border points by rail and hauled in over their own line.

Q. Coal brought in by the C.P.R. for their own use in Montreal?—A. Yes, sir.

Q. Is there any American coal brought in for bunker use?—A. Yes sir.

Q. Have you any figures to indicate about what the quantity would be in competition with eastern coal?—A. I think I might have some on my files, sir.

By Mr. Howden:

Q. Is there any preference displayed for American coal outside of the cost?—A. It depends on the use.

Mr. CANTLEY: Repeat your question, please.

By Mr. Howden:

Q. Is there any preference displayed for American coal?—A. For gas making, there is.

Q. But, for ordinary steam work, the Maritime coal is— —A. I believe, it can compete where it can meet it in price.

By Mr. Bury:

Q. How far west, to Toronto?—A. No sir, to Montreal. There is a considerable tonnage coming into Ottawa at the present time. I believe a number of years ago there was considerable Maritime coal shipped in here. They then lost the market but they are now regaining that market. I believe however they are having some difficulty in competing with American coal at Ottawa.

[Mr. C. P. Hotchkiss.]

By Mr. McLean (Melfort):

Q. Can you tell us about how much industrial coal is used in a city like Ottawa?—A. I could get those figures, sir.

Q. Approximately?—A. I have listed here about 180,000 tons and I know of another consumer that uses 70,000 tons.

Q. A quarter of a million?—A. Yes.

Q. Toronto would use about a million tons of steam coal?—A. Oh, much more than that, sir.

Q. Much more than a million tons?—A. They use nearly a million tons of domestic coal.

Mr. McLEAN (Melfort): They would use more than a million tons of industrial coal.

By the Chairman:

Q. Will you tell the Committee, Mr. Hotchkiss, what chances there are of Canadian coal competing with American coal in between Montreal and as far west as, say, London.

Mr. CANTLEY: Pardon me, one moment, before you leave the question of railroad coal at Montreal; can the witness tell us if the Canadian Pacific are using to-day, or during the last year or two, any Canadian coal at Montreal?

The WITNESS: I do not know of any that they are using at Montreal to-day.

By Mr. Cantley:

Q. My understanding is they are not using any at all.—A. That is what I understand, sir.

Mr. ARMSTRONG: You might answer the Chairman's questions as to the amount of coal imported by the C.P.R. for use in their works at Montreal, was it not?

The CHAIRMAN: At Montreal.

Mr. ARMSTRONG: By handing in the figures to the stenographer.

The WITNESS: I thought I had them right here. They use in Quebec between half a million and three-quarters of a million tons of coal.

Mr. BURY: You mean in the city?

Mr. ARMSTRONG: The city of Quebec.

The WITNESS: No, in the Province of Quebec.

Mr. CANTLEY: It is practically in Quebec and Montreal.

By Mr. Armstrong:

Q. And that is all American coal, practically all American coal?—A. I understand so.

By the Chairman:

Q. Has there been any attempt to extend the area of where Cape Breton coal is now used within the last year or two, has there been any coal shipped from Montreal west?—A. Yes, sir, there is, I would say, nearly 100,000 tons coming into Ottawa.

Q. That would be coming in all rail?—A. Coming in by rail, or all rail from Montreal, yes sir.

By Mr. Howden:

Q. Do you suppose these conditions would be bettered in any degree by concentrating on any particularly favoured spot in the Maritime provinces for the production of this coal over the coal fields generally, any particular area

[Mr. C. P. Hotchkiss.]

in which the loading facilities would be better and the coal would be better and things generally would be inclined to extend the Maritime market?—A. I believe their loading facilities are up-to-date at the present time at Sydney, their equipment is all quite modern.

By Mr. Armstrong:

Q. What about Cape Breton?—A. You are speaking of what equipment now, mining equipment?

Mr. ARMSTRONG: I am talking about the area.

Mr. HOWDEN: That is not quite answering the question. Perhaps I should not have asked you that question.

By Mr. Bury:

Q. Without referring to any specific areas—I do not know whether you would object to answering—without referring to any specific area, would you be prepared to state what particular areas or mining districts offer the best facilities for landing good cheap coal, and the cheapest steam coal in, say, Montreal?—A. Well, I could not say, I could not answer that with regard to new and undeveloped districts—

Mr. HOWDEN: What I am after, Mr. Hotchkiss, is to find the most suitable coal that will have the best chance of competing with American coal.

By Mr. Cantley:

Q. I will put it in another way. Is not it a fact that practically all the coal that comes up into Montreal and Quebec is from Sydney?—A. Yes, sir.

Q. Simply because there is water transportation?—A. Yes.

Mr. CANTLEY: Now, coal might come up here from the Pictou district or might come up from the Springhill district, but that would have to come largely by rail, entirely by rail from the Springhill district. The Canadian National Railway are getting 100,000 tons of Pictou coal this year specially prepared for use in mechanical stokers on the big locomotives. That is coming up by water to Montreal, but that is mainland coal. That is coming up into the Montreal district, or has come up for years, except a comparatively small quantity by rail in the winter months after navigation closes, but ninety per cent, ninety-nine per cent of all coal that has come up from Nova Scotia has come up from Sydney.

Mr. ARMSTRONG: Mr. Camsell gave us to understand the other day there was a district in the—

Mr. FLEMMING: The north side of Cape Breton.

Mr. ARMSTRONG: Within sixty miles of a splendid port, Inverness, and that large quantities were available and could be cheaply mined, and the transportation cost very low.

By Mr. Armstrong:

Q. Do you know anything about that district and the transportation costs, what it would cost to bring it out?

Mr. CANTLEY: There is only one company on the north side of Cape Breton, and that is Inverness, and it is in liquidation, and has failed half a dozen times. There is a small portion mined there now but that coal does not come up here, it is used for domestic purposes in Nova Scotia. It is not a factor in the matter at all.

Mr. BURY: That is given in pages 75 and 76 of the Commons Report; Mr. Chisholm gives a very clear account of that railroad and the mines it originally was supposed to operate, and how the whole thing went smash.

[Mr. C. P. Hotchkiss.]

Mr. ARMSTRONG: Mr. Camsell should know. He gave us to understand there was good quantity of coal in this district.

Mr. CANTLEY: I do not know what he ought to know, but I know the facts.

The CHAIRMAN: That disposes of that subject. If ninety-five per cent of the coal coming from the Maritime Provinces comes from Sydney, there is no necessity of considering any other area.

Mr. HOWDEN: It pretty well disposes of the fact that Maritime coal cannot compete beyond Montreal or Ottawa, at the most, at the present time.

By Mr. Gershaw:

Q. You have studied conditions for a long time; can you suggest any way in which that market can be extended farther west for Maritime coal?—

A. By subvention or an increase in duty would certainly extend the market westward.

Q. There is no economy in the way of handling, or anything of that kind you could suggest, care in handling or treatment or anything of that kind?—

A. I think that coal is at present handled with up-to-date, modern equipment, but the estimated cost that you might get on water rate through the canals might be shaved down a little bit by competition.

By Mr. Bury:

Q. And mass production?—A. That still does not definitely say, though, that you can compete with the American coal in, we will say, Toronto.

Q. Who could give us evidence as to the effect upon the transportation costs of a mass movement that would capture the industrial coal market in Montreal and down to Toronto, say a mass movement of—I will just take a million or a million and a half tons every year—Who could give us the effect that that mass movement might have or would have on the transportation costs in the way of lessening them?—A. I would say Mr. Playfair of the Canada Steamships Company.

By Mr. Armstrong:

Q. Is it not a fact that the transportation cost is very low between Sydney and Montreal?—A. Yes sir.

Q. About how much?—A. Around 75 cents.

Q. Seventy-five cents a ton. Then, the greater part of the cost of the coal is taken up in the mines and in delivering it to Sydney Harbour?—A. Yes, sir.

Q. Have you any idea as to the actual cost of the coal at the mine head?—A. You could get that from the producers, sir.

Mr. HOWDEN: The last witness we had before us preferred not to give us anything with regard to the rate as far as Montreal.

Mr. ARMSTRONG: The present witness says around 75 cents.

By Mr. Cantley:

Q. Your answer of 75 cents is the cost of freighting coal from Sydney to Montreal; does that include the charges that have to be paid to the Montreal Harbour Commission?—A. No, sir.

Q. That has to be added?—A. Yes, sir, and the unloading charges.

Mr. BURY: I was going to ask that.

By Mr. Bury:

Q. Are there no other ports to which that coal could be brought by water from Sydney?—A. Quebec, Three Rivers; it is brought there.

Q. Could it get down to Toronto by water?—A. In small boats of 2,000 tons carrying capacity.

Q. And you do not know the transportation cost of that?—A. Well, yes, I have had some correspondence about that.

By Mr. Armstrong:

Q. Mr. Aird gave us to understand that the boats that now carry grain from Port Colborne to Montreal are adapted for the carrying of coal back to Toronto and Hamilton; do you agree with that?—A. Yes, sir.

By the Chairman:

Q. As cheaply as it could be transported in barges?—A. Well, you could not take barges, of course, through to Toronto.

By Mr. Armstrong:

Q. Could the boats that now carry grain from Port Colborne to Montreal, after delivering the grain at Montreal, now go to Sydney and load up with coal and come back all the way without trans-shipment to Toronto and Hamilton?—A. Yes, sir.

Mr. McLEAN (Melfort): It would not be economical to do that.

The CHAIRMAN: It is economically impossible.

By Mr. Armstrong:

Q. It would be cheaper to trans-ship the coal at Montreal at about 40 cents a ton than to go down and bring back a load at 75 cents a ton?—A. You have heard the previous witness say he thought a fair rate for trans-shipment charges in Montreal would be around \$1.00 or \$1.20, if I remember correctly, but that might be reduced, in my opinion. You have harbour charges in Toronto which would depend on the volume of business you were able to develop, but they would amount to between 12 and 19 cents.

By Mr. McLean (Melfort):

Q. Harbour charges in Toronto?—A. Yes sir.

Q. As against 7 cents in Montreal?—A. Yes.

By Mr. Armstrong:

Q. Anything in Hamilton?—A. Well, I believe that there are no facilities at the present time in Hamilton for handling coal.

Q. By water?—A. Coal that comes from West Virginia into Hamilton goes into Toledo, we will say, and is freighted across to Erieau, or one of those other ports on the Canadian side of the Lake, and is then taken by rail into Hamilton.

By Mr. Garland:

Q. Is there no water transportation into Hamilton?—A. I do not believe there is any coal coming in that way; their docking facilities are not suitable.

Q. There was at one time?—A. I believe they are talking now about putting in coal docks, but that is the way the bulk of the coal moves to Hamilton at the present time. On top of your harbour charges, you must then add switching charges, and these switching charges to industrial plants run from 60 to 90 cents a ton.

Mr. BURY: That is outrageous.

The WITNESS: That is what you are up against when you try to put in Nova Scotia coal.

[Mr. C. P. Hotchkiss.]

By Mr. Armstrong:

Q. Those switching charges apply to American coal in the same manner?—

A. American coal comes straight through, of course, as Mr. Aird told you. In Montreal it might be shipped direct through to 15 or 20 or more different parts of the city.

By Mr. Flemming:

Q. For distribution?—A. Yes, sir.

By Mr. Armstrong:

Q. And switching charges added?—A. There might be in some cases, but in a great many cases there would not be.

By Mr. Howden:

Q. I have not got that very clear yet, Mr. Hotchkiss. You say there are no switching charges on the coal that goes right through by rail; is that the idea?—A. Yes, sir.

Q. But there are switching charges on the coal that is transferred from the boats to the wharf?—A. From the harbour out to points in the city.

Q. It goes on to the wharf, then, to be put in cars and switched around the city?—A. Yes, sir.

Q. And there would be loading charges as well as switching charges?—A. Oh, there is, because you have to take it out of the boat or stock piles.

Mr. McLEAN (Melfort): The loading and unloading charges are together.

Mr. HOWDEN: The coal is unloaded from the boats to the wharf, then if it is going to be switched around the city, it has to be loaded on the cars.

Mr. McLEAN (Melfort): The one charge covers the two services, according to Mr. Aird.

By the Chairman:

Q. Those would be two different charges?—A. Yes, sir.

By Mr. Howden:

Q. Those two charges would run the cost up pretty high by the time you paid the unloading charge from the boat to the wharf and then from the wharf to the car again; what would that amount to?—A. I do not know that I have got you right. The charges would be from the boat, we will say, direct to the car?

Q. All right, direct to the car.—A. The general figure used is 50 cents. Now, the switching charges would be to move that car from the wharf to the industrial plant, and they would run from 60 to 90 cents.

Mr. BURY: The switching charge is the transportation from the wharf to the industrial plant.

Mr. CANTLEY: Take the Massey Harris Company; you land the coal from the boat on to the cars, the railroad carries it from the harbour front to the Massey Harris plant, or a hundred different places, and there is a charge there running, he says, from 50 cents to as high as 90 cents a ton, which is an outrageous charge.

Mr. GARLAND: Then on top of that there are the distribution charges.

Mr. BURY: Mr. Chairman, surely we do not need to go any farther than the one point where the American coal and Canadian coal comes down on a common ground. When you come to the distribution charges, at that point you come on common ground because the American coal has got to be distributed

[Mr. C. P. Hotchkiss.]

just as much as the other, and the distribution charges at that local point would be the same for either coal. I think we may leave it out because distribution is a factor that applies equally to American and Canadian coal.

Mr. CANTLEY: Here is the point: An American collier sells a thousand tons of coal to the Massey-Harris Company. That coal is loaded on the railroad cars at the mines, and is shipped right through to the Massey-Harris Company. There are no switching charges on that coal at all, but if Nova Scotia coal went up in boats of, say, two thousand tons, they would have to land that coal and they would have to pay harbour charges of around 19 cents, as against 7 and a half cents in Montreal, then they would have to pay switching charges to get that coal into the Massey-Harris plant, or any other plant.

Mr. BURY: I fully understand that.

Mr. CANTLEY: Running from 50 to 90 cents a ton.

Mr. BURY: We understand that.

Col. CANTLEY: That is one of the difficulties you have to get over.

Mr. BURY: That is a grievance against the railways for charging so much for dues, and against the Harbour Commission for charging so much for dues as well.

Mr. ARMSTRONG: I do not know that they have ever been asked to reduce their dues.

Mr. BURY: Who has authority over Harbour dues, in Toronto, the same as the Railway Commissioners have over railway rates? What I am getting at is this: It was suggested that a special rate might be given by the Railway Commissioners, or that the Railway Commissioners might be instructed to treat coal as a special commodity, a special rate upon which might be fixed, without upsetting the whole rate structure which obtains. Now, if that is justifiable in respect to railway rates, making coal a special national commodity, so to speak, to be specially treated as a special and separate thing, in relation to railway transportation, why can we not argue that the same thing is true in respect of harbour dues? Of course, railway charges are under the Railway Board, but in respect of harbour dues, why cannot the Harbour Commission be told "Here is a national matter, you have to treat coal as a national commodity?"

The CHAIRMAN: That is true. We are to investigate and report what means can be taken to create a market for Canadian coal in Canada, and we are investigating now all these different features of this question.

Mr. BURY: But you do not see the point of my argument, Mr. Chairman.

Mr. McLEAN (Melfort): I would like to see this Committee investigate the reasons for the high cost of harbour dues, and so on.

Mr. BURY: But is there any authority that can do with the Harbour Commission what we want to do with the Railway Commission? Is there any authority which can do with the Harbour Commissioners what we suggest should be done in regard to railway companies, namely, to take coal out of the category of ordinary commodities?

Mr. FLEMMING: Somebody had better see Mr. Church.

Mr. McLEAN (Melfort): I think Mr. Flemming's suggestion is a pretty good one, that we should see Mr. Church about it.

The CHAIRMAN: Mr. Ellis will be able to enlighten us. I understand he has had that matter before him. I would like to have Mr. Hotchkiss deal with the question of domestic coal now.

Mr. McLEAN (Melfort): Before Mr. Hotchkiss goes on to domestic coal, I would like to ask him something about the trans-shipment of coal at Montreal, or the hauling of coal by means of tramp steamers, from Sydney to Toronto,

[Mr. C. P. Hotchkiss.]

say; if it is feasible to take coal across the ocean through the Great Lakes, would he think it feasible to haul coal from Cape Breton to Toronto, by means of a certain class of steamers, or has he looked into that matter?

WITNESS: I have been told by men, whose judgment I would have confidence in, that it is not feasible.

By Mr. McLean (Melfort):

Q. How is it possible to take grain from Fort William to Liverpool say, without trans-shipment, if it is not possible to take coal from Cape Breton to Toronto.—A. (No answer.)

Mr. BURY: It depends upon the size of the boat.

Mr. McLEAN (Melfort): But a boat of the same size can bring a big load of coal. I am talking of the boats that two years ago went from Fort William direct to Liverpool, Norwegian boats.

Mr. BURY: What tonnage of grain did they carry?

Mr. McLEAN (Melfort): I do not know, and that is immaterial anyway.

Mr. CANTLEY: I think I can say something about that. A few Norwegian boats loaded a full cargo at some point for the head of the Lakes; they then filled up with grain, and went home at the close of the season, and did not return that season. That was only possible because they got their freight to the head of the Lakes, and then loaded with grain and took it across, say to Rotterdam or some other European port. That has been done in two or three different seasons, but always at the end of the season. Other boats have come up and been engaged in the Lake trade, foreign boats, and they have loaded out a return cargo in the fall, and carried it across home, without any shifting at Montreal.

Mr. BURY: Was that grain?

Mr. CANTLEY: The tonnage was grain.

Mr. BURY: What tonnage?

Mr. CANTLEY: They would be limited to the fourteen-foot draft, limited to about 2,000 tons. The point is that they found employment on the Lakes, and that at the end of the season were able to load up and go home. That is a seasonal matter, and does not affect the ordinary transportation throughout the whole season at all.

The CHAIRMAN: In other words, Col. Cantley, the boats engaged in the trade of carrying coal from Montreal west through the restricted waterways, could not carry more than about 2,000 tons?

Mr. CANTLEY: About that.

Mr. BURY: And they would not be suitable to take grain across the ocean.

Mr. McLEAN (Melfort): Here are Norwegian boats coming into the Lakes for the grain trade; they would not have cargo except the one way. If they were brought here to go into the Lakes and stay there, hauling grain one way, would they not be the same class of boat that would be used for hauling coal one way?

The CHAIRMAN: But they are going across the Great Lakes, Mr. McLean.

Mr. McLEAN (Melfort): The point is that they must be of a capacity limited to a fourteen foot draft, and limited to 2,000 or 2,500 tons on the Lakes, where they are going for grain. Would the same boat not be hauling coal one way, if she could make it pay to haul grain one way?

Mr. BURY: She would have to run light to Sydney.

Mr. McLEAN (Melfort): Either Montreal or Sydney, I do not care which.

Mr. BURY: Where does she dump her grain now, at Duluth?

Mr. McLEAN: The point I am making is that for one half of her time she runs in empty.

Mr. BURY: She goes to Fort William, takes on a load of grain; where does she bring it to?

Mr. McLEAN: To some of the Lake ports.

Mr. BURY: Where does she then go for her coal?

Mr. McLEAN: Back to Fort William.

Mr. BURY: For coal?

Mr. McLEAN: No, for grain. The vessel which is hauling grain, cannot haul coal at the same time. If I can haul from this point to that point, and come back empty something of the same kind could surely be hauled from that point to this point. (Indicating).

Mr. BURY: It is only on the artificial water-ways that she is limited to 2,000 tons?

Mr. McLEAN: But a boat limited to the 14 foot draft, going through the canals, is going to have her tonnage limited on the Great Lakes. She could carry a little more, but she could not carry very much more.

Mr. GARLAND: Those boats bring back ore at very low rates, as ballast. Any boat carrying coal from Fort William and on to Montreal, then to Sydney, would not be in the same position. I cannot see that there is any parallel between the two.

By Mr. Armstrong:

Q. Before you leave the industrial coal proposition, Mr. Hotchkiss, you gave us to understand that the rate from Toledo to Port Arthur and Fort William by boat was 40; did that include the loading and unloading?—A. No, sir.

Q. Have you investigated the loading and unloading facilities for handling this coal at these ports, and if so, what have you to say in regard to them?—A. I think I have seen the most up-to-date loading facilities we have any where on the continent.

Q. Where is that?—A. At Toledo, and Newport News.

Q. You have seen what they are able to do there. How cheaply do they load and unload? What does it cost?—A. The charge at Newport News is 5 cents a ton.

Q. For loading and unloading?—A. For loading.

Q. From trains into boats?—A. Yes. They charge at Toledo 8 cents per ton; that is, for loading.

Q. From cars into boats?—A. Yes.

Q. You have no idea what the charge for unloading would be at the other end?—A. I know the figure which is used almost universally is fifty cents a ton. That all depends upon the quantity landed, and many other factors come into the problem, but 50 cents is the accepted figure which is charged I believe, when quite a large tonnage is handled.

Q. Would you be surprised if a witness could be brought here to show that in many instances it is being unloaded for six or eight cents a ton?—A. I have made a fairly complete investigation regarding unloading charges.

Q. Where?—A. From some of the largest plants, and I am assured that that 50 cents charge is about right.

Q. What plants?—A. I would suggest that you ask some of the railway officials, who handle hundreds of thousands of tons a year, regarding these charges. I know of estimates that have been made of unloading charges that run as low as 25 cents a ton, but that charge of 50 cents is calculated on actually

[Mr. C. P. Hotchkiss.]

determined business. You might take a few tons out, and unload them for a few cents less; in unloading a boat, you might do it cheaper, but, there is this additional charge which does not make it economical to use certain figures in unloading boats except under certain conditions.

By Mr. Flemming:

Q. Is it not a fact that the quantity handled and the facilities for handling determine the cost of handling your coal?—A. Yes, sir. For instance, harbour charges, that is, rental, for a large company, might run up to \$70,000 a year. If you run that for 70,000 tons of coal, it is pretty expensive handling. If you handle half a million tons, it helps you out.

Q. Are you including that unloading charge of 50 cents?—A. Yes, that is part of the unloading charges.

By Mr. Armstrong:

Q. But if boats are hired for this year, by the Imperial Oil Company, which takes 250,000 tons at Sarnia, we will say, and the large salt company across the river St. Clair, which takes half a million, because they arrange that definitely with the self-unloading boat, and the unloading charges are then from eight to ten cents, what would you say to that?—A. They have their other charges as well.

Q. I am asking you about the actual charges, for unloading coal?—A. That is the accepted figure, because you have to count in all these other charges.

Q. Not in the case of private corporations, such as I have mentioned?—A. They have built a dock, I presume.

Mr. BURY: We are not dealing with private corporations that have their own docking and storage facilities, and all the rest of it.

WITNESS: It costs them just the same as in the case of a private corporation.

By Mr. McLean:

Q. That 50 cents includes loading into cars again, does it?—A. That is the general figure which covers both the coal they have to stack, and the coal they put into cars, as I understand it.

Q. If you came to me and said, "I need so many hundreds of thousands of tons of coal this year; I want a price from you for unloading that coal, and I will take delivery in a certain way which might involve the storing of a certain quantity. In figuring it up, you have to take into account despatch in unloading your boats, you have to take some back and store it while some would go directly into cars. The charge for this service would be around 50 cents. Would that include taking it out of the boat and storing it and getting it away? (No answer).

Mr. BURY: It not only includes taking it out of the boats, and putting it into the cars, it also includes overhead for your storage and dock?

WITNESS: Certainly. There is another thing about these self-unloading boats; I know of two of them on the canals in the eastern part of the country. Their use is limited. They come up to a dock, and, at the outside, they cannot put their coal more than 40 feet back from the dock.

By Mr. Armstrong:

Q. That is nonsense?—A. It is between 30 and 40 feet. You need either a lot of wharf space to quickly unload a large quantity, or that coal has to be picked up and moved back by shore equipment. I think the most effective answer, as to whether it is cheaper to use self-unloaders when dealing with large quantities, is the fact that they are not used by the ore people in bringing down large quantities of ore.

[Mr. C. P. Hotchkiss.]

By the Chairman:

Q. They are not used by the ore people?—A. No, sir.

By Mr. Armstrong:

Q. In any way?—A. You might, in connection with tonnages; it all depends upon your conditions; they might be used in Kingston, where they put only a small quantity of coal on the dock.

By Mr. Bury:

Q. Where you are dealing with large quantities and large movements, the most economical way is by having moving facilities on the dock itself?—A. That is Mr. Aird's opinion.

Mr. ARMSTRONG: I would suggest that this be mentioned to the man from Owen Sound who will be here.

Mr. McLEAN: What facilities were you speaking about, Mr. Armstrong?

Mr. ARMSTRONG: I have in my possession certain letters, for instance, from the largest salt company in the United States, on the St. Clair river. They own their docks. It is a big private corporation. They have entered into a contract for 500,000 tons of coal this very year, as I understand it. They have given a definite estimate of the cost of unloading that coal at their plant, and, if I remember rightly, it is about eight cents per ton. That is, unloaded with one of these unloading machines that is equipped on the boat. Mr. Hotchkiss must know that these unloading machines are being used to a much greater extent. They have only been developed, in fact, within the last few years. They are the most up-to-date machines. I also might mention the Imperial Oil Company; I could have mentioned the Sugar Refinery Company, and others.

By the Chairman:

Q. Have you seen those unloading facilities, Mr. Hotchkiss?—A. No, sir. But I have talked it over with people who have used them, and they tell me that they find shore equipment more economical when handling large quantities over a dock.

Mr. ARMSTRONG: I have already written to the man in charge of the Chamber of Commerce, asking him to advise us when this order will be unloaded at the Imperial Oil works at Sarnia, in order that the Committee might see it, and also visit the salt works and some of these other places. However, Mr. Hotchkiss has more information to give us, I understand.

Mr. BURY: The Owen Sound man is coming here?

Mr. ARMSTRONG: He is coming here, as I understand it, to tell us how easily this coal is unloaded, and Alberta coal at that, at Fort William and Owen Sound.

By the Chairman:

Q. Before leaving the industrial coal situation, Mr. Hotchkiss, there are very large quantities of industrial coal used in Northern Ontario; the demand for industrial coal is increasing continuously. Is there no possibility of Alberta industrial coal being brought into the mining area of Northern Ontario, successfully and economically, in competition with American coal?—A. No, sir, I would say not, under present conditions.

Q. Can you give us approximately what the freight rate would be on industrial coal say from Drumheller to Cochrane?—A. Drumheller coal is not industrial coal.

Q. Is there no industrial coal in Drumheller?—A. No, sir.

[Mr. C. P. Hotchkiss.]

Q. Is there any industrial coal in that area, on the Canadian National Railways?—A. Some of the mines have sold their slack for this purpose at a very low price for power.

Q. But it would not meet that requirement in Ontario?—A. No, sir.

By Mr. Flemming:

Q. I notice the rate Timmins-Montreal is \$4.45; what would the rate be from Pennsylvania to Timmins?—A. I think you will get a combination rate. I will figure that out for you. I think coal can be taken up to probably Byng Inlet by water, and then taken in from there to Timmins.

By Mr. Cantley:

Q. Where is Byng Inlet?—A. It is in the Georgian Bay.

Q. Would it be taken from there to Cochrane?—A. There are C.P.R. connections. I believe there is competition for some of that northern business, between Byng Inlet and Port Arthur. The C.P.R. is at Byng Inlet, and Canadian National from Port Arthur.

By Mr. Armstrong:

Q. You have travelled extensively in the United States, making investigation in regard to coal transportation. Have you any further suggestions to make in addition to those you have already put on the report?—A. Well, I do not believe I have. I have a great deal of other information, which is available of course, to the Committee.

Q. Did you make a report of your own for the Department?—A. Do you mean I made a report on my United States trip?

Q. Yes?—A. Yes, sir. I did.

Mr. HOWDEN: The evidence given to-day, Mr. Chairman, has been of a very definite nature. I think it has been very beneficial, but unfortunately it has treated only the industrial coal area.

The CHAIRMAN: That is what we intended to do, so as to dispose of that altogether.

Mr. HOWDEN: I was going to say that if the witness is able to give us equally beneficial evidence on the domestic coal situation, it would be well for the Committee to have him do so.

The CHAIRMAN: We will have that, but we will dispose entirely of the industrial coal question first.

Mr. HOWDEN: May we have this witness back here again?

The CHAIRMAN: Certainly, for domestic coal. We will give Mr. Hotchkiss **all the time necessary in order that he may give to anthracite the same attention he has given to industrial coal.**

Mr. CANTLEY: I would suggest that at the next meeting he should bring more general information in regard to the transportation of coal in the United States; the cost at the mines, and something about their operations.

By Mr. Cantley:

Q. You have investigated the operations at the mines, too, have you?—A. Yes, I have investigated operations at the mines, but I think you will find all or nearly all the transportation rates you want to use on this chart on the wall here.

The CHAIRMAN: Mr. Hotchkiss can give you that information based upon this chart. This Committee will now adjourn until Tuesday next.

Witness retired.

The Committee adjourned until Tuesday, June 1, at 11 a.m.

[Mr. C. P. Hotchkiss.]

COMMITTEE ROOM 436,

HOUSE OF COMMONS,

TUESDAY, June 1, 1926.

The Special Committee appointed to investigate our present sources of supply of anthracite and bituminous coal, the dependability of such sources and other matters in relation thereto, met at 11 a.m., the Chairman. Mr. Lapierre, presiding.

E. FRED McCOURT, called and sworn.

By the Chairman:

Q. You are engaged in the coal business?—A. Yes, sir. I am president of the Canadian Industrial Coal Company, Limited, Montreal.

Q. Your company is engaged in the importation of Scotch and Welsh coal?—A. Scotch coal.

Q. Would you please state to this committee the condition that led you into the business of importing Scotch or Welsh coal?—A. Well, in the winter of 1923, my company found it impossible to obtain any decent grade of American anthracite coal, connected with what is known as the line company basic price. Most of the coal was more or less inferior in quality, it broke in handling. I went to England and found out that Scotch anthracite coal was very much purer.

Q. What year was this?—A. That was January, 1923. Very much purer in quality; and we decided to embark on the importation to Montreal. We brought out that year about 35,000 tons. There was a bit of an uphill fight to get the coal in use, but in the second year we doubled the quantity. Last year we doubled on the quantity of the second year, and this year, with any luck and with the cessation of the strike over there we are expecting to double it again.

Q. Your first coal imported was Welsh coal?—A. Welsh coal came in in 1922, during the strike in the United States.

Q. What was your importation for the year 1925?—A. 1925, about 100,000 tons.

By Mr. Cantley:

Q. Is that your own importation, your own company's?—A. That is our own company's.

Q. Not the total importation?—A. No sir.

By the Chairman:

Q. How many different firms are there engaged in this business, to your knowledge?—A. There is the Canadian Importing Company; F. P. Weaver Company; International Coal Corporation at Montreal; that is, up to the present time. The Butterworth Company here in Ottawa; and last year, and again this year we are supplying Milne's Company at Toronto.

Q. Can you give us the approximate amount of coal of that class imported into Canada?—A. I understand from the statistics last year there was a total of 600,000 tons of Welsh and Scotch coal.

Q. Have you the figures for 1923?—A. 1923, if my memory serves me right, is about 300,000 tons.

By Mr. Cantley:

Q. That is all anthracite?—A. All anthracite, yes sir. Pardon me, 1924.

[Mr. E. F. McCourt.]

By the Chairman:

Q. 1924?—A. Yes. 1923, there was very little other than our own.

The CHAIRMAN: Mr. Cantley, will you examine the witness?

By Mr. Cantley:

Q. How do you regard the British anthracite coal, taking it collectively, that is, Scotch and Welsh, as compared with the American?—A. About 25 per cent greater efficiency.

Q. Explain why you think so.—A. Well, there is an absence of stone and slate and other poorer matter, and the inherent ash in the coal runs anywhere from four to seven per cent as against about an average of ten per cent in American coal.

Q. The main advantage is its freedom from stone and dirt?—A. Yes sir.

Q. Better prepared?—A. Better prepared.

Q. What freight do you pay on that coal?—A. We pay about an average of 6/6.

Q. What is the cost of handling at Montreal?—A. Our cost of handling, the absolute use of the cranes and labour, is just under 30 cents a net ton.

Q. That is simply the discharging?—A. Simply the discharging, yes; it does not include rent or overhead.

Q. What is the cost of storage?—A. Our storage cost is ten cents a square foot per year.

Q. What are the harbour dues?—A. The harbour dues are about eight cents a ton.

Q. Eight?—A. Eight, yes.

Q. What is the total cost including discharging, rental and storage space, and harbour dues?—A. About seventy-five cents a ton; that is including overhead.

Q. What wastage have you got? For instance, you import 1,000 tons in a vessel; what quantity are you able to sell from that? Or in other words, what is the wastage in handling?—A. We figure on about $1\frac{1}{4}$ per cent, sometimes a little more, sometimes a little less.

Q. When you say that, do you refer to a cargo coming out and distributed practically at once, or do you refer to your total losses over the whole season from, say, the opening of navigation until you finally dispose of the last of that coal in, say, April of the next year?—A. Yes, sir, it averages $1\frac{1}{4}$ per cent over the whole period. We have had it as high as 2 per cent and as low as 1 per cent where we were able to weigh out individual cargoes.

Q. You are dealing now entirely with anthracite?—A. Scotch anthracite coal.

Q. What is your experience in regard to soft coal?—A. Soft coal would run about one-half or one per cent. I was with the Dominion Coal Company in Montreal for a number of years and that was the general average.

Q. That rather surprises me, I would have thought that the soft coal wastage would be more than double of the hard coal wastage.—A. That was not my experience.

Q. Don't you think that is correct?—A. Well, I can only tell you about the experience I have actually had with it. We have had American coal come in which would run 2 per cent short of the railway weights.

Q. I am not referring to coal coming in by rail, I am referring to coal coming in by water.—A. It is dumped into the steamers from railroad weights.

Q. For instance, a boat comes up loaded with either British or American coal, or anything else—I am speaking about bituminous soft coal—my question

[Mr. E. F. McCourt.]

is: What is the wastage on, say, 1,000 tons? 1,000 tons is loaded, and by the time you dispose of it, what is your total wastage of soft coal, in your opinion?—A. It is a little difficult to answer that question because we can only take experience.

Q. It is only a matter of opinion.—A. For instance, when British coal is weighed into the steamer it is from small cars, the railway weights, you get them in units of eight to ten tons. At Sydney, if I remember correctly, they are forty to fifty tons. At Newport News they run from sixty to seventy tons. Naturally, the units have a considerable bearing, the number of units loaded into the cargo. Is that what you wanted to get?

Q. That is hardly the point of my question. The point of my question is this: you buy a thousand tons or three thousand tons, or a cargo of eight thousand tons, as the case may be; you handle it onto the dock, and it is carted away in small quantities from time to time, over a period of some months; what do you think the wastage would be?—A. On soft coal?

Q. Yes.—A. Anywhere from one-half to one per cent.

Q. My impression is it would be nearer 5 per cent.—A. I have never had that.

Q. I have seen more than one per cent blown away, and I think you have too, in discharging, when it is thrown down from the grabs, which are fifty or sixty feet above the ground with a strong wind blowing, I have seen the dust blown away to the extent of over one per cent of the entire cargo.—A. I have never had that experience.

By Mr. Bury:

Q. In your comparison with the wastage on anthracite coal you are taking it exactly on the same basis as in connection with the soft coal?—A. Yes, sir.

Q. The figure of wastage you gave on anthracite was what?—A. $1\frac{1}{4}$ per cent. On the average it is a drier coal.

Q. And that is on the same basis, wastage on soft coal is from—A. One-half to one per cent.

By Mr. Armstrong:

Q. What is the cost of the coal at the mine?—A. The cost of coal at the mine varies, of course, according to the location.

Q. I mean Scotch anthracite. You would have some idea what it would be.—A. It is a business transaction.

Q. That might be. Perhaps, I should not ask you that question, but we are anxious to get some idea of the cost of mining the coal, for instance, Scotch anthracite. Now, could you not give us some idea of what the cost would be at the mine and then the cost of transporting it from the mine to the dock and from the dock to your dock?—A. Well, that would be a little difficult without some figures. I will give you the reason. Scotch coal is brought out here in a mixture of sizes. Welsh coal and American coal come here graded. We do not grade our coal, all we do after we get it here is to screen it and send it to the consumer in a mixture of sizes.

By the Chairman:

Q. It is delivered to the consumer in a mixture of sizes, as you receive it?—A. Yes.

Q. That is Scotch coal only?—A. Yes. I really could not answer that to give the actual average cost.

Q. What is the proportion of Scotch coal handled in comparison to Welsh coal.—A. Well, the tonnage that came here last year, according to the statistics, was 600,000 tons. We got 100,000 tons.

[Mr. E. F. McCourt.]

By Mr. Bury:

Q. When you speak of the cost at the pit-mouth, I do not know exactly just what you mean; do you mean the price at the pit-mouth?—A. We only have the price, we have not the cost.

Q. That is what I am getting at; it is the price, not the cost.—A. Price, yes. We have not any figures as to the cost at all.

By Mr. Armstrong:

Q. You do not care to give prices at the pit-mouth?—A. I would rather not.

By Mr. Gershaw:

Q. The cost of transportation would be about \$2.37 per ton.—A. No, about 6/6, that would be \$1.50.

Q. And then there is 35c at the dock, charges at the dock?—A. Yes.

By Mr. Armstrong:

Q. On what port?—A. On Glasgow or Grangemouth to Montreal.

Q. How far are the mines from Glasgow?—A. About 20 to 22 miles.

MR. BURY: Is not the real point, that is as far as we are concerned, the price of Scotch anthracite laid down in Montreal. The price is nothing to us, for the simple reason we have no control over it. We cannot affect the Scotch mine nor the operator, nor can we affect the Scotch miner, nor can we in any way affect the transportation cost. The thing we are up against is what have we to compete with here in the eastern market, and what we are really interested in is: What is the price of Scotch anthracite laid right down here in Montreal or Toronto?

The WITNESS: That is the selling price?

By Mr. Bury:

Q. Yes.—A. The selling price is \$16.75, a net ton, delivered loose in Montreal, for Scotch anthracite, as compared with \$16.50 for stove size American coal, which is the favourite size, and \$16 for egg and nut.

MR. ARMSTRONG: I am at a loss to know what objection could be raised to stating the price at the mines. They must quote prices, not necessarily your price, but they must have prices that they quote to the public.

MR. CANTLEY: Mr. Armstrong, suppose you put the question this way: What is the open price of Scotch anthracite f.o.b. steamer?

MR. ARMSTRONG: That is right.

The WITNESS: I do not believe there is an open price for the simple reason that our company absorbs everything they can supply during the summer months.

By Mr. Cantley:

Q. Then, I am afraid we will have to ask you what your price is.—A. We are getting everything we can.

Q. What is the cost free on board?—A. It averages about 42 shillings at Montreal.

Q. Including freight?—A. Yes.

Q. But not including discharging and handling cost?—A. Or degradation or loss in handling.

Q. You answered another question a moment ago in regard to the selling price, was that delivered at the customer's house?—A. Delivered at the customer's house.

Q. Or is that the price on the dock?—A. Delivered at the customer's house.

By the Chairman:

Q. That is the price quoted for American anthracite in Montreal?—A. That is the selling price at the consumer's home.

Q. That includes the delivery charges in the city?—A. Yes, sir.

By Mr. Armstrong:

Q. Do your customers prefer Scotch anthracite or Welsh to the American?—A. We find that to be the case. Our business has doubled itself each year in two years.

By Mr. Bury:

Q. Has the American anthracite been improving or getting worse in quality?—A. Well, what I have seen of it, it is just about the same.

Q. For how long?—A. Oh, a period of years.

Q. You mean to say there has been no deterioration in the quality of American anthracite delivered here for how long?—A. I should say seven or eight years to my knowledge. It is about the same thing.

Q. And you think the objections that have been made to its quality have obtained equally at any time during the last seven years?—A. I would say so, yes.

By Mr. Armstrong:

Q. What kind of unloading machinery do you use?—A. We use the Harbour Commission's cranes, Browning hoist.

Q. Brown hoist?—A. Browning hoist.

Q. How many tons?—A. Well, they are capable of handling about 400 tons per day or ten hours; that is, in straight digging down.

Q. 400 tons, that is all?—A. Each.

Q. That is why it costs 30 cents a ton?—A. No, I do not think you could do it for very much less than that. We handle some steamers with five hatches and put five different cranes on them.

By Mr. Cantley:

Q. In that case, how much can you discharge per day?—A. We can handle anywhere from 1,000 to 1,500 tons.

Q. The point is what you are actually able to discharge from each of the four or five hatches.—A. About 1,500 tons a day until you come to the trim.

Q. That is an average of 300 tons per hatch?—A. Yes.

By Mr. Armstrong:

Q. How many tons to the boat?—A. They run anywhere from 3,000 tons to 9,000 tons.

Q. What is your estimate as to the relative value of the Scotch and Welsh anthracite?—A. Well, that is rather a stickler. I will say for Scotch anthracite coal; it is mined in one small area in the vicinity of Stirling, about twenty miles from Glasgow, and the quality is uniform. With Welsh coal there is a number of different seams, some of which are better than others, and naturally would depend upon the proportion of the better coal you got as to the general average of the out-turn of the cargo.

Q. Are you importing Welsh anthracite as well as Scotch?—A. No.

Q. You confine yourself entirely to Scotch?—A. Entirely to Scotch.

By the Chairman:

Q. Largely for that reason?—A. No, it is like more than a trade reason; we find the coal uniform in quality.

By Mr. Armstrong:

Q. There is considerable Welsh anthracite coming through?—A. Oh yes.

Q. From what point is shipment made?—A. Swansea.

Q. All from Swansea?—A. I would say practically all, I have never known of anthracite to be shipped from anywhere else.

Q. In your evidence a little while ago you gave another port.—A. That was Grangemouth, which is the other side of Scotland.

Q. That is in Scotland. The impression left in my mind was that you were referring then to Wales.—A. No sir, Scotch entirely.

Q. I just wanted to clear that up. Now you gave us the selling price in Montreal; can you tell us what the selling price in Ottawa is?—A. I understand it is \$19.50.

Q. A net ton?—A. A net ton.

Q. Delivered to the customer's house?—A. Yes sir.

Q. Do you know anything about prices in Toronto?—A. No, I do not, although I have sold coal there.

Q. You have sold coal in Toronto?—A. Yes.

Q. Is there any British coal going to Toronto?—A. There are three cargoes shipped in there already this year.

Q. How is it being moved from Montreal to Toronto?—A. By three steamers that were built in either England or Scotland for an eastern steamship company, canalers, which were coming out anyway and they brought cargoes.

Q. They brought out cargoes and went right up through the Lakes to Toronto?—A. Yes.

Q. Without breaking bulk?—A. Without breaking bulk.

Q. Cargo would be small?—A. 2,000 tons.

By Mr. Bury:

Q. Three specially built coal boats?—A. No, specially built canal boats. Ordinarily, I presume, they would be in the grain trade from either Buffalo or Port Colborne to Montreal.

Mr. ARMSTRONG: They would bring grain to Montreal and carry back coal.

Mr. CANTLEY: I think I can interrupt there to save a little time. They were built on the other side to engage in the lake traffic. They came out new and carried cargoes of coal to Montreal and then went up without breaking bulk, and those were new boats and only making one voyage. They were built on the other side for service in the lakes.

The CHAIRMAN: They are not regularly engaged in this business.

By Mr. Howden:

Q. I was going to ask in regard to this coal that is sold at Ottawa. Do I understand you, you retail the coal at Ottawa?—A. We sell it to the local dealers here.

Q. You do not engage in the retail business?—A. We do not engage in the retail business here in Ottawa.

Q. But you do in Montreal?—A. Wholesale and retail both.

By Mr. Armstrong:

Q. Do you handle any Nova Scotia coal?—A. No sir.

By Mr. Flemming:

Q. What is the rate from Montreal to Ottawa?—A. \$1.50 per net ton.

[Mr. E. F. McCourt.]

By Mr. Cantley:

Q. All rail?—A. All rail.

By Mr. Flemming:

Q. How do you account for \$3 a ton difference in the retail price at Montreal and Ottawa?—A. Well, that is a matter that would have to be explained by the retailers here, I could not answer that.

Q. It would be distribution cost?—A. Yes.

By Mr. Cantley:

Q. Has any coal come up by water from Montreal to Ottawa in recent years?—A. Not that I know of.

Q. It did at one time.—A. At one time it did; that is soft coal.

Q. Why does it not come now?—A. I presume the rates have an effect. At that time the rate, as I remember, was 70 cents a net ton.

Q. But the rail rate has not been lowered in the meantime?—A. \$1.30.

Q. But the rail rate has not been lowered?—A. No, the rail rate at that time, I understand, was 90 cents; there was a differential of 20 cents.

Q. The differential now is ostensibly greater than that, but still it is coming by rail, do you know why?—A. I do not know, sir.

By the Chairman:

Q. Were these three shipments the only Scotch coal you have sent to the city of Toronto?—A. I sent one shipment last year.

Q. By rail or by boat?—A. By boat.

Q. Will you tell us what the freight was on that boat from Montreal to Toronto?—A. The differential rate would be between 6/6 and 14 shillings.

By Mr. Cantley:

Q. I did not hear your answer.—A. The differential would be between 6/6 to Montreal, and 14 shillings to Toronto.

By Mr. Bury:

Q. 7/6?—A. 7/6.

Q. What does that 7/6 represent?—A. Movement from Montreal to Toronto.

Mr. CANTLEY: In other words, it costs more to move coal from Montreal to Toronto than it does to move coal from Scotland to Montreal.

The WITNESS: By about 20 per cent.

By Mr. Armstrong:

Q. What does it cost to transfer from the large boats to the barges?—A. I would say about 50 cents a ton.

By the Chairman:

Q. You have ample facilities for handling coal both inwards and outwards at Montreal?—A. Yes sir. In our case it would be a little difficult because we would have to put the coal into trucks from the ground and re-weigh it.

By Mr. Armstrong:

Q. Take it to another dock?—A. To put it into another barge or steamer; that is why it costs 50 cents.

[Mr. E. F. McCourt.]

By Mr. Cantley:

Q. Is it necessary to land coal from the original steamer on the dock and afterwards load it on the barge?—A. Yes, sir.

Q. Could you not load from the steamer direct into the barge?—A. Impossible, the booms of these Browning cranes are not long enough to reach out.

Q. At the Nova Scotia plant it is quite possible to do so?—A. By throwing their bucket, I believe they could.

Q. It is done regularly; that is, coal is not landed at all, it could be transferred to steamers at the dock or into barge alongside, the boat lying between the barge and the dock, of course.—A. We could not do it.

By Mr. Armstrong:

Q. That would be a much cheaper way of loading, would it not?—A. Very much cheaper, but the difficulty is in weighing it. Unless you are willing to take the out-turn weight at destination, and then you are leaving the weights in the hands of somebody else.

By Mr. Flemming:

Q. That would not hold if you were transporting a complete cargo?—A. Oh no, with a complete cargo you might as well send it right through.

By Mr. Bury:

Q. You might send it in two boats, for instance?—A. Yes.

By the Chairman:

Q. It would not be economically feasible to bring coal from Scotland in boats that could navigate in our lakes?—A. No.

By Mr. Armstrong:

Q. These three boats that brought coal from Scotland, was that a very satisfactory voyage, and was the coal landed at Toronto in a satisfactory state.—A. The coal was landed in a satisfactory state. They had some damage, because a steamer that is built for this canal trade is not as strongly built as the ocean vessel.

Q. Boats that carry grain from Port Colborne, for instance, to Montreal, they could carry coal back, could they not?—A. Easily.

Q. Why do they not do it.—A. Well, with British coal, the structure of the coal is very much more friable than in the case of American coal and if it is handled very often naturally it breaks up.

By Mr. Bury:

Q. That is British anthracite?—A. Yes. It is very much more friable than American anthracite.

By the Chairman:

Q. But under favourable conditions could it be transported from Montreal to Toronto without great loss?—A. It could, with additional degradation, whatever that might be.

By Mr. Bury:

Q. Is that British anthracite much less friable than, say, the soft Alberta coal? Do you know anything about the Alberta coal?—A. I have not had any experience with the Alberta coal.

Q. Is it as soft or friable as the eastern bituminous coal?—A. I would say no, not so friable; anthracite naturally is not so friable as bituminous coal.

By Mr. Gershaw:

Q. Regarding dependability of the source. Is there coal to be obtained for a very long period yet, there is no chance of it running out and becoming exhausted?—A. That point has never even been discussed.

Mr. CANTLEY: You are referring to Scotch coal, are you?

Mr. GERSHAW: Yes.

By the Chairman:

Q. Is there possibility of a greater supply available for Canada since you say you are taking all you can possibly get?—A. The tonnage has increased each year in three years; they are very anxious for this trade over here.

By Mr. Bury:

Q. But you have only mentioned one particular Scotch area where this anthracite comes from, do you know whether there is any other in Scotland?—

A. No other anthracite areas that are known.

Q. Do you know the extent of that one anthracite area? Is that very big?—

A. Well, it would be about 25 miles square, I should think. They are underlying seams, they underlie bituminous coal.

Q. You have no idea of the quantity there is; has it been estimated?—

A. I do not believe so.

By the Chairman:

Q. Is there a limit to the quantity available to the Canadian market?—

A. Oh yes, we get all we can.

Q. And that was how much?—A. About 100,000 tons last year.

Q. Could you increase that quantity?—A. We will this year unless the strike lasts too long.

By Mr. Cantley:

Q. Do you know what the total output of that district is?—A. About 700,000 tons.

Q. You are getting one-seventh of this?—A. Yes, but we are getting domestic sizes.

Q. Do you know where the balance of that goes, who are your competitors for buying that coal?—A. Well, breweries and distilleries use very large quantities, and the greenhouses; they are about the largest consumers other than ourselves.

Q. That is entirely local consumption in Scotland itself?—A. Yes. We are bringing out what are known as Pearls. These compare with No. 1 buckwheat and pea coal in American sizes. We have started this size this year and it would give us a larger quantity, naturally.

Q. Are these pearl sizes washed?—A. All washed.

Q. What does that cost?—A. It costs about 24 shillings alongside at Montreal.

Q. As compared with what, for the bigger sizes?—A. As compared with 42 shillings.

Witness retired.

R. C. VAUGHAN, called and sworn.

By the Chairman:

Q. Mr. Vaughan, you have prepared a statement, perhaps, that you would prefer to give the Committee?—A. I have not, Mr. Chairman, because I did not know just what the Committee might want. If the Committee so desire I could probably give them a few words on just what our coal requirements are and how we handle them from coast to coast. I do not know whether I can give it from that map or not. I have my own map here which I prepared.

Q. Would you like to have it hung up here?—A. It is a small one.

Mr. BURY: I do not suppose the reporter knows who Mr. Vaughan is.

The WITNESS: Vice-President of Canadian National Railways.

Mr. CANTLEY: And Chief Purchasing agent so far as coal is concerned.

The WITNESS: I will leave this map with the members so that they can have it. It is drawn up to show the different kinds of coal used in Canada.

By Mr. Flemming:

Q. Excuse me just a minute; you are going to deal with the coals used by the Canadian National Railways?—A. Yes.

Q. That would be all bituminous coal?—A. All bituminous coal, yes.

Q. Well now, I think what we would like to get would be for you to sort of break the thing in three parts. That is, the coal coming from the East, that is Nova Scotia or elsewhere in the East and how far and to what extent you use that. Then in the central regions and the quantity that you use of American bituminous and then in the West and the extent to which you use western coal?—A. Yes, we will deal with it along those lines. First of all I might say, that on all our lines here we take deliveries of New Brunswick and Nova Scotia coal by rail. We bring up several hundred thousand tons to Lévis by water. It is distributed in this area down here and some of it goes north and some of it comes down here. We use Canadian coal entirely at Montreal, to where it is all brought by water in the summer time. We use Canadian coal entirely as far north as Ottawa, as far west as Brockville. We find that is the limit to which we can use Canadian coal profitably. I might say we also use Canadian coal up here.

By Mr. Bury:

Q. When you say "up here" the reporter cannot get it?—A. Well, we use Canadian coal as far west as Brockville and Ottawa on our southern lines and we use it as far west as Cochrane on our transcontinental line. Those points are the limits to which we find we can use Canadian coal economically, in fact we stretch a point in having Canadian coal that far, it would be actually cheaper for us to use American coal at some of those points.

By Mr. Armstrong:

Q. That is Nova Scotia coal—A. That is Nova Scotia coal. I might say there is really only one institution in Nova Scotia that has facilities and the quality of coal that can be shipped by water, that is the British Empire Steel Corporation. They control all the mines that have coal that will stand handling and of the quality that will meet competition.

By Mr. Flemming:

Q. And you make distribution from the two points, Lévis and Montreal?—A. Yes.

Q. Water shipments?—A. Yes.

[Mr. R. C. Vaughan.]

Q. And your eastern supplies are all rail shipments?—A. We take coal from virtually every mine down there according to the district in which it is located which means the shortest haul to the railway. There are a number of mines down there which have coal which is very much inferior but sometimes it means a shorter haul for us on that coal and as a matter of custom—the railway, I suppose, has been buying coal from some of these mines for 30 or 40 years down there and we are still buying it.

Q. Have you been extending your area westward?—A. Yes. I might just say here that last year the limit of our Nova Scotia coal was practically Montreal. Now, this year we have extended it to Ottawa and we have extended it to Brockville, that is, we have taken in perhaps 150,000 tons of additional Nova Scotia coal to take care of those two points this year.

Q. And what, approximately, is your total use of Nova Scotia coal or Eastern coal between the points that you have indicated?—A. You mean our consumption of Nova Scotia coal?

Q. Yes?—A. I think it is about 1,600,000 tons.

Mr. CANTLEY: I did not hear that question.

By Mr. Flemming:

Q. What is the amount of eastern coal used by the Canadian National in New Brunswick, Nova Scotia and as far west as they use it?

Mr. CANTLEY: Million and a half tons?

The WITNESS: Yes. I might just point out there, that up until this year we have been taking other coal into Portland, that is, American coal and ballast coal from steamers that have been going there, but this year we made a proposition to the British Empire Steel Corporation, gave them the opportunity to meet that in competition, which they did—they say at some loss to themselves—and we are taking that coal for use in the Portland district from Canadian mines and we are paying 50 cents a ton duty on that on entering the United States, but notwithstanding that, the British Empire Steel Corporation have met competition.

By the Chairman:

Q. But they stated they were losing money?—A. Yes.

By Mr. Bury:

Q. You do not know how much they lose?—A. No, I do not.

Q. Would they lose the amount of the duty?—A. Well, they claim that is about what they are losing.

By Mr. Cantley:

Q. Do I understand you to say that on the coal that you brought into Portland from Cape Breton and use on your lines from Portland to Montreal you paid a duty of 50 cents a ton?—A. Yes, sir. We have to pay that to the United States Government. Coal used to come in free from Canada to the United States.

Q. How much of the mileage is in United States territory and how much in Canada on that line?—A. On that line there is about 150 miles in the United States.

Q. And how much in Canada, 300?—A. No, the distance is about 150 miles each; about 298 miles in all.

Mr. CANTLEY: Well, that is a curious condition of affairs and I would like to bring that to the attention of the Committee. Here is a Canadian road operating a line from Montreal to Portland and Canadian coal goes in and the American Government exact a duty of 50 cents a ton on it.

[Mr. R. C. Vaughan.]

By the Chairman:

Q. It goes into the United States?—A. Oh yes, the coal is all used in the United States.

By Mr. Cantley:

Q. It cannot be all used if your locomotive is running 150 miles only on American territory and 150 miles in Canadian territory?—A. We would only bring in sufficient Canadian coal, to take care of the American territory. We pull the other down from the Montreal end here.

By Mr. Armstrong:

Q. You supply the eastern end from Montreal?—A. Yes. Now, in this territory here, that territory is all taken care of by coal imported from the United States.

By Mr. Bury:

Q. Which territory?—A. That which is marked in red.

By Mr. Armstrong:

Q. Name the places?—A. Well, from Brockville on the east, Ottawa on the east and Cochrane on the east and Winnipeg on the west.

By Mr. Cantley:

Q. Might I interject one point here in case I forget it. You have heard about the duty being exacted on coal used on Canadian Government railways. Steamers sometimes come around to Montreal and take American coal out of bond for their bunker purposes and run that ship anywhere from Montreal. Now, is there anything fair in that arrangement?

By the Chairman:

Q. The American coal brought in by the C.N.R. pays the Canadian duty of 50 cents a ton?—A. Oh yes.

By Mr. Flemming:

Q. You speak about the territory where you are using American coal. What is your consumption in that territory?—A. About 2,200,000 tons. I might just point out that this situation varies from year to year, I am simply taking a normal year. For example, last year there was the strike in Nova Scotia, until about September, when coal began to move; we had to bring American coal into that territory to take care of the shortage of Canadian coal. In 1924 there was a strike in Alberta until December, and we had to bring in more American coal and use it beyond Winnipeg, but I am just giving the figures to take care of normal conditions.

By Mr. Armstrong:

Q. Have you tried loading into boats that are in the grain trade from Port Colborne to Montreal and have them take your Nova Scotia coal?—A. We have at times, when coal has been scarce in Ontario, endeavoured to get rates, but our situation to-day is that we can buy coal cheaper landed at Toronto, American coal after taking care of our own haulage charges, than we can buy it at Montreal.

Q. Duty included?—A. Duty included, every incidental item of expense included. That coal costs us less at Toronto than coal on the cars at Montreal from British Empire Steel Corporation.

By Mr. Howden:

Q. Brought up the river in barges?—A. Yes, brought up the river in boats.

[Mr. R. C. Vaughan.]

By Mr. Armstrong:

Q. That is the whole thing; coal by rail from the Nova Scotia mines, not by boat?—A. No, Mr. Armstrong. I have taken the cost of the coal at the Niagara Peninsula and we have got to add some charge to make it fair—I have added half a cent a ton a mile for the railway haul from the Niagara peninsula to Toronto—and I have taken that as the cost plus duty at Toronto, and I have simply taken the Montreal f.o.b. price on cars, and the price at Montreal on cars is more than the price at Toronto on cars of American coal. With that long distance in there to be taken care of and which at the present time can only be taken care of at all economically by boats specially built for the trade that can carry a maximum tonnage through the canals.

By Mr. Flemming:

Q. That is 2,000 tons?—A. Yes. That coal has to be transhipped at Montreal, at least, it is more economical to bring it in in large colliers to Montreal and then tranship the coal, that is if it was coming to Toronto.

Q. Boats carrying grain from Port Colborne to Montreal would be able to carry coal back?—A. They ought to be able to carry coal back cheaper rather than go back empty.

Q. How do you get your coal from Montreal to Brockville and Belleville and Ottawa?—A. Our coal going to Brockville is railed from Montreal. Our coal going to Belleville comes in over the car ferry—we have a car ferry operating from Charlotte to Cobourg—we take all our Lindsay coal that way and all our coal in Belleville territory.

Q. And your Ottawa coal?—A. Our Ottawa coal comes from Montreal, Nova Scotia coal, by rail.

By Mr. Cantley:

Q. Your charge then is half a cent a mile?—A. We just figure that charge for our comparative purposes. We have got to put something in. We bring some in here by car ferry (indicating). We bring some in by Black Rock. We take it by car ferry across Lake Erie. We take it up to Midland by water and Depot Harbour and Key Harbour and Port Arthur and Fort William and Duluth by water.

By the Chairman:

Q. That is all your central section?—A. Yes.

Q. From Cochrane to Winnipeg?—A. Yes. When we come to the West—

By Mr. Cantley:

Q. What is the western margin of that red group?—A. Winnipeg. That shows a little east of Winnipeg because we stock the Western coal at Winnipeg. That means we practically use it over the first divisional point east of Winnipeg, because it is put on the engines at Winnipeg going East, so we just extended that line halfway to the divisional point East as the engines going West would take western coal at that terminal.

Q. This is your western coal?—A. This is western coal. We get this coal here from Alberta.

By Mr. Armstrong:

Q. Where in Alberta?—A. It comes from various points, some from Brazeau district, some from Mountain Park district. There are various grades of coal in the west but the best bituminous mines are located further west than Edmonton, they are approximately a thousand miles further west of Winnipeg.

Q. Do you use any of that lignite coal?—A. Very little lignite coal; it is used largely for domestic purposes, and is not suitable for our locomotive purposes.

By Mr. Bury:

Q. Have you used any coal from the Drumheller district?—A. No, not for locomotive purposes, that is purely lignite coal.

By Mr. Cantley:

Q. What is your objection to it?—A. In the first place, it is very high in moisture. The principal objection, at least one objection is we are not allowed to use it by the Board of Railway Commissioners during certain months of the year because it sparks so much, but its ultimate cost to us would be a great deal more than bituminous coal, as we would use so much more of it. In fact good bituminous coals out there are about equal to the best Sydney coals. We buy Drumheller and other lignite coal for station and boiler use.

By Mr. Flemming:

Q. What is your total consumption?—A. We will take in from Alberta this year I suppose about 1,300,000 tons of western coal.

By Mr. Armstrong:

Q. What is the cost of that at the mine, loading it?—A. You mean of this western coal?

Q. I mean where you load it by steam shovel, for instance?—A. We buy coal at different prices, on the cars, from the mines. The mines have their own tipples and just shoot the coal through their tipples on to our cars.

Q. What do you pay?—A. I do not think I would like to say. I would be glad to tell you privately. The only reason I object is (I have not the slightest objection to any of the members knowing) because these companies are all selling us coal and they are in competition with each other.

The CHAIRMAN: I would suggest that these prices would be obtainable from some of the operators of the mines.

The WITNESS: Or if there is any private information wanted by any member of the Committee we would be glad to give it.

By Mr. Cantley:

Q. In general terms, speaking of western coal, what sections do you get it from, the Crow's Nest?—A. No, we do not reach the Crow's Nest; it is reached entirely by the C.P.R. We do not get any Crow's Nest coal at all; our coal comes mostly all from what we call the Coalspur branch south of Edson. We take about 200,000 tons of coal from Brazeau district. We get about a million tons off the line south of Edson.

By Mr. Bury:

Q. That is off the Coalspur?—A. Off the Coalspur branch; that is the branch that was built by the Grand Trunk Pacific to take care of their coal supply.

Q. And the balance you get from the Brazeau district?—A. Except I might just say we get coal from Vancouver Island, bring it across on car ferries, and bring it up as far as Kamloops. Alberta coal goes down about that far.

Q. Alberta coal and B.C. coal meet at Kamloops?—A. About there.

By Mr. Howden:

Q. Would it be fair to say that the cost of coal is approximately the same on all these three divisions you have there?—A. No, it would not, it varies. The most expensive coal we have is right down here in Nova Scotia.

Q. The most expensive?—A. Yes.

Q. Your cheapest coal would be in the central sections.—A. After we pay the freight and duty the coal in the central sections is just about equal. If

[Mr. R. C. Vaughan.]

must be remembered we have got nearly \$3 in freight and with duty, to pay on nearly every ton of coal that comes into that district, but notwithstanding that fact, the price is a little lower, I think, than we pay in Nova Scotia.

Q. What about the western coal?—A. The western price is about, I would say, 75 per cent of the Nova Scotia price. In other words, our Nova Scotia is the highest priced coal we have.

Q. That is as far as it pays you to take it east?—A. Yes.

By Mr. Flemming:

Q. You say your western consumption of Alberta coal is about 1,300,000 tons per year?—A. Yes.

Q. To what extent have you been extending the use of western coal?—

A. We have been extending that right along. Taking this year, perhaps 200,000 or 300,000 ton more than the previous year. At the time of the strike in 1924, we stocked a lot of American coal in Winnipeg and it takes time to use that stock up but we have been extending east all the time. In 1924 the western mines got a big reduction in wages and the result enabled us to bring the coal farther east. During the war, and following the war the fuel controller fixed prices for coal in the west and those have gradually been coming down.

By Mr. Howden:

Q. With reduced cost at the mine you might even get it moved farther east?—A. Oh yes, we would get farther east with reduced cost. Generally speaking, I would say that we will.

By Mr. Bury:

Q. It is trying to get farther east now?—A. We want to use all the Canadian coal we can. For instance, if we took the bare cost of American coal at Winnipeg and Canadian coal at Winnipeg the Canadian coal would be higher, but on account of giving the Canadian mines a bigger tonnage, which we did by including the Winnipeg consumption, we got a lower price on all the coal we used farther west, so it works out that way to our advantage. If we take a divisional point east of Winnipeg, American coal could be landed there cheaper. We can buy American coal anywhere from \$1.20 to \$1.70 a ton; we cannot buy western coal for twice that; eastern coal for nearly three times that.

By Mr. Armstrong:

Q. If you were to concentrate your purchases in western coal could the mines not deliver it to you cheaper?—A. There is no question with greater production they get lower costs but it is questionable to my mind if they could come very much farther east under present conditions, because when you reach the first divisional point east of Winnipeg your cost against western coal works out at about \$2.90 a ton or more in favour of United States coal.

By Mr. Flemming:

Q. Is it not correct to say your difficulties would be greatly increased when you got to Fort William?—A. Oh yes. I think I could give you, in fact I have, a statement here which will give you an idea as to how the cost would work out at some points east of Winnipeg. To use western coal one divisional point east of Winnipeg it would cost us \$2.90 a ton more.

Q. At Port Arthur?—A. No. Just to use it at one divisional point, that is to say, one hundred and twenty miles east of Winnipeg.

[Mr. R. C. Vaughan.]

By Mr. Flemming:

Q. Does that American coal come up by boat to Port Arthur and Fort William?—A. Yes, it comes up by boat entirely.

Q. What is the cost?—A. The freight rates vary; the lowest freight rate is 30 cents.

By Mr. Cantley:

Q. From where to where?—A. From any point on Lake Erie to Port Arthur or Fort William. The rate depends, of course, on the rate of discharge. To Georgian Bay points we may have to pay ten cents more because we have not got the modern facilities for discharging the coal at those points, and despatch is what a boat to a large extent bases its rate on.

By Mr. Armstrong:

Q. Does that 30 cent rate include the cost of discharging?—A. No. For instance, our freight rate from the Pittsburg district is \$1.63 and the dumping is eight cents.

By Mr. Cantley:

Q. What point?—A. Any of these points, 8 cents is the dumping cost; all ports on Lake Erie.

Q. Cleveland?—A. Cleveland, Ashtabula and Toledo, etc.

By Mr. Armstrong:

Q. What are the unloading charges?—A. There is a tariff charge, for instance, which the C.P.R. and ourselves have at Port Arthur and Fort William, of fifty cents; that includes cost of taking the coal out of the boat, dumping it on the dock, storing it on the dock and reloading it again when required.

Q. What is the actual cost of unloading?—A. That is a difficult question. Our cost, I would think, would be around perhaps about 25 cents, somewhere thereabout.

By Mr. Bury:

Q. That is just unloading on to the dock, but then you have got to add after that taking it from the dock and putting it into railroad cars either immediately or after storage?—A. Oh yes, it either has to be unloaded on to the dock or, perhaps, taken by a bridge and stored away and picked up by the bridge and dumped into the cars again.

By the Chairman:

Q. Is the equipment in use at the head of the lakes considered quite modern?—A. Yes, it is quite modern. We have a dock at Port Arthur which is not entirely modern, but we get a good deal of our coal at Fort William docks. At Fort William both the C.P.R. and the Fort William companies docks are quite modern.

Q. What I wanted to get at; improvements in the equipment would not decrease in any great measure the price.—A. No, I do not think so because the price is established by the companies having modern plants.

By Mr. Flemming:

Q. Have you figures you can give the committee showing the amount of eastern coal, American coal, and western coal that you are using? You have given us approximately the amount in each of these divisions at the present time; could you give us it three years back?—A. Well, I could give you three

[Mr. R. C. Vaughan.]

years back, Mr. Flemming, but I really believe it would probably only confuse because, as I said, last year there was a strike in Nova Scotia. The year before there was a strike in Alberta, which meant we had to take in so much more American coal. I can give it to you if there is any advantage in having it.

Q. But the tendency has been to increase quite largely?—A. Quite largely. We have had that in view right along. I may say we have our own mines down in Ohio but they do not interfere or come into competition with any Canadian coal. Coal from them is used mostly on what we call our Grand Trunk Western line running from Detroit to Chicago, and in the district between Toronto and Detroit. As a matter of fact, we have not operated these mines for over a year because we can buy coal much more cheaply, we can buy the coal cheaper to-day in the non-union districts.

By the Chairman:

Q. This purchase of West Virginia coal is increasing?—Yes. The situation up there is changing to this extent; up to two or three years ago most of the coal we bought in the States came from the union districts, in the Pittsburg and Ohio districts. Now, due to the large number of non-union mines operating in West Virginia it is cheaper for us to buy coal there.

By Mr. Armstrong:

Q. Do you expect these advantageous conditions in West Virginia are likely to continue?—A. I do not see how they can indefinitely. The Jacksonville agreement, which was entered into three years ago by the Pittsburg and Ohio and Illinois operators expires in April next and the supposition is there will be some adjustment of wages at that time.

Q. The non-union mines are causing a decrease in price?—A. Yes. There are a great many of them on the 1917 scale which was the scale the union mines are trying to get.

By Mr. Cantley:

Q. In regard to the coal properties which I understand were owned by the Grand Trunk in the United States, I understood you to say you were not operating any of them at the present time?—A. No, we have not operated them for over a year.

Q. Since when?—A. For over a year, year ago first April last we stopped running those mines.

Q. What was your cost?—A. Our cost at that time ran about \$2 a ton.

Q. On the cars?—A. On the cars, yes. We had production of from a million and a quarter to a million and a half tons per year.

Q. You discontinued that, I understand, purely on a question of cost, not quality?—A. No, on the question of cost entirely.

Q. Just one other point. Take the West Virginia coal costing you, say, \$1.20 at the mine, what is the total transport charges from the mine to, say, Fort William?—A. Well, that particular coal we would not send there, because we ship screened coal by water. Take coal, say, at \$1.30 a ton; the freight rate on that to the lake would be \$1.89 and the freight rate to Port Arthur would be 30 cents, duty would be 50 cents; that would be \$3.99 alongside at Port Arthur or Fort William.

Q. Including \$1.30 cost?—A. Including \$1.30 cost.

By Mr. Bury:

Q. Then you have cost of 50 cents for trans-shipping?—A. Cost of unloading and storing.

MR. CANTLEY: That is included in the \$4.

[Mr. R. C. Vaughan.]

Mr. BURY: No; it is not included.

The WITNESS: That would be another 50 cents. If we are going to take the price f.o.b. the car your price would be \$4.49.

By Mr. Bury:

Q. You said a minute ago that you could get coal a little bit east of Winnipeg. American bituminous coal, at a dollar something a ton is what you said—

Mr. CANTLEY: I did not hear that question.

Mr. BURY: I understand Mr. Vaughan said sometime ago he could get American bituminous coal at something like one dollar a ton.

Mr. FLEMMING: Less than Alberta.

The WITNESS: Yes, I said \$1 a ton, but in checking my figures I think it should be \$2.90 a ton. You take a place like Redditt, the first divisional point here on the Transcontinental; if we used Canadian coal that far east then the cost would be over \$2.90 a ton more than bringing American coal up from Port Arthur.

Mr. HOWDEN: He did tell me Virginia coal was \$1.20 at the mine.

Mr. BURY: I am not talking about that, I am asking about something he said previously.

By Mr. Cantley:

Q. In your opinion, what is the relative value of the American coal used in that central red portion, western coal, and eastern coal?—A. Well, we are undoubtedly able to get a better quality of coal from the United States than we can in Canada. That is due to the conditions existing there. We have got a number of mines located on our own line in Canada and, of course, we have got to take the quality of coal those mines produce, but to-day we can go over to the States and take any coal we want to buy for that territory. Therefore, we are getting more value, I would say, out of the United States coal we are buying than we are out of the Canadian coal.

Q. Due to the depressed condition of the coal trade?—A. Yes, but if conditions were normal and there was an active demand for coal in the United States we would not be able to pick and choose as we do now. We inspect every ton of coal we buy from the United States before it is loaded on the cars so that our coal is nearly all hand-picked; we are able to get what we want.

By Mr. Bury:

Q. That is due to the rather abnormal condition in the States?—A. Yes; the coal trade has been very much depressed there for two or three years.

By Mr. Cantley:

Q. Would you mind telling the Committee what your experience was in obtaining supplies of coal during the war?—A. During the war we had to take coal wherever we could get it. For instance, we had difficulty in getting coal from our Nova Scotia friends and had to rely on American coal, and we also had to take on American coal very far west. At that time we took every pound of Canadian coal we could get but we had a great deal of difficulty getting coal of any kind during the war.

Q. So far as the eastern coal is concerned that condition was brought about by the fact that in Nova Scotia we had to bunker practically all the British ships that came in which called for an enormous quantity of coal, we had no freedom in the matter. Following that, and I will ask you whether I am right or not, it was stipulated we had to bank 400,000 tons of coal one winter so as to ensure a supply of coal to the railroads in the ensuing summer; that statement is correct, is it not?—A. It probably is correct, yes.

[Mr. R. C. Vaughan.]

Q. I am not suggesting that was done—A. From year to year it is pretty hard to keep track of all these conditions.

Q. I am not suggesting that that was done by the railroads?—A. No.

Q. My point is it was done by those in authority.—A. Yes.

Q. By the fuel controllers, as a matter of fact.—A. Yes, I think that is right. Of course, the British Empire used to, I think, always bank coal down there, did they not?

Q. My point is this; they were ordered to bank 400,000 and reserve that for the Canadian railroads and that coal they could not sell to anybody irrespective of who wanted it or whatever demand might be made. My point is to show simply this, frankly; that during the stress of the war the railroads were dependant on Nova Scotia coal so far as the eastern section of the country was concerned?—A. Oh yes, we were.

Q. And failing that supply, I do not know what would have happened, you would have had a very alarming shortage because at that time you could not get it from the United States because the United States were in the war themselves.—A. I would say this for our United States friends; they were very good to us during the war, that is, they gave us an equal pro rata with themselves, a very good share of the tonnage.

Q. For the most part that is true?—A. Yes.

By Mr. Armstrong:

Q. You say that you inspect every car of coal at the mine before it leaves the mine?—A. Yes.

Q. Would you be good enough to tell us what are the inspectors' duties?—A. Well, those inspectors are all our own men and competent men who have had experience in that line of business. They report to our respective regional fuel agents and they stay at the mine and watch the coal going over the tippie and they watch the screening of the coal and they watch the picking tables to see that all impurities are picked out of the coal as it goes over the screen or tippie. They, of course, cannot watch everything in detail, but they watch as much as they can. We have an inspector at every mine.

Q. My object in asking that question was this: If the province of Ontario are shipping down large quantities of coal from Alberta it would be wise for the provincial government to appoint inspectors?—A. I think so. We do the same out west, we have inspectors at all mines.

By Mr. Cantley:

Q. You also have them in the east?—A. Yes, we have inspectors at all mines and it only costs us a fraction of a cent a ton and we find it pays very well.

By Mr. Bury:

Q. What is the average size of your coal cars?—A. Well, I would say, about fifty tons is our open top car. They are mostly fifty-ton cars.

Q. You have none bigger than that?—A. No. When I say fifty ton they will carry perhaps, sixty to seventy ton of coal. In the United States they have some one hundred and twenty ton cars. These big machines that unload coal into the vessels on Lake Erie, with what they call coal dumpers, will pick up a hundred and twenty ton car and dump it right into the vessel; that is one of the reasons they can do it so cheaply.

Q. Your largest present rolling stock would be how much?—A. They are what are known as fifty-ton coal cars.

Q. They will carry seventy ton?—A. They might carry that tonnage.

Q. My reason for asking that question: In estimating the cost of the coal haul from the Alberta mines to Toronto an average train load of 1,800 tons

was taken. Is it not possible to increase that train load to 2,500 tons or 3,000?—A. Of course, your train load is governed to a large extent by your grades, your motive power; your equipment and everything of that kind.

Q. Anything else besides traction power of the engine and the cars?—

A. By your grades and other physical conditions.

Q. Are the engines not built to haul more than 1,800 tons?—A. Most of our engines, most all our power is modern equipment.

Q. I do not know whether you know anything about the different departments of the road, it may be out of your line, but in the evidence given before the Commons committee in 1923 the route was divided into different sections. For instance, from Coalspur to the main line we were told the average freight haul was 1,750 tons. I think then the next section was from the main line to, perhaps, Edmonton, where the average train haul was much bigger?—A. Yes.

Q. And then there were parts of the line east of Edmonton where the average train haul went away up to 3,000 tons and over 3,000 tons?—A. Yes.

Q. Now, what I am getting at is this: Is there any way by which a train load of 2,500 or 3,000 tons could be assured in a big coal movement from the western coal fields?—A. Well, I have no doubt whoever gave those figures based his opinion upon the grade and the ability of our existing engines to haul the tonnage over the existing grades. Take, for instance, the Coalspur branch, which is a mountainous line.

Q. Yes, but it is down grade.—A. Well, it is down grade, but it is zigzag all the way up, like a switchback, and of course it has lighter rails on it than on other points of the line, and you cannot put a heavy train, heavy motive power on light rails.

Q. Who would be able to give us the best information on this?—A. I think you ought to get Mr. Hungerford, our Operating Vice-President, or one of his assistants.

Q. There is another matter I would like to ask, and that is this: Assuming that we, as we will, investigate water transportation of domestic coal from the head of the lakes to Toronto and other eastern points, who would be the best person to tell us as to the most up-to-date handling equipment on the docks for loading and unloading coal in large volume?—A. Well, it all depends what kind of information you want. If you want to get information as to the modern appliances at most of the dock ports, you can get everything you want out of this book.

Q. It is a matter of transportation?—A. Yes, it is a matter of transportation. Of course, what I was going to say was this: take the Pennsylvania, they have recently put up a big car dumper at Lake Erie. That car dumper would probably cost a million dollars in Canada. There are so many other features entering into that; for instance, we are not equipped with enough open top cars which have to be used with these car dumpers. Nearly all the coal cars we have in the east, particularly the heavy cars, are used in going down to the mines and bringing back our own coal. In the west our coal, or a large part of it, is handled in box cars. We have a surplus of box cars during certain seasons and it is necessary to move coal right in the box cars.

By the Chairman:

Q. As economically as they do in open cars?—A. No. There are absolutely no facilities at the head of the lakes to handle box cars into boats at the present time. The only way to handle a coal movement from western Canada down to eastern Canada by water would be to erect these big unloaders, and then you would have to have a lot of cars if the coal were to move in volume.

[Mr. R. C. Vaughan.]

By Mr. Bury:

Q. Wait a minute, before you leave that. The cars, in the case of the big modern unloader, could not be box cars?—A. No, they could not be box cars, they would have to be open top cars.

Q. Do you know what effect that would have on the western domestic coal, that is, the high class lignite?—A. I think a good deal of that coal would not handle well in open cars. That coal when exposed to the weather slacks very quickly and it would be unsatisfactory coal by the time it got to the point of consumption.

By Mr. Armstrong:

Q. That would be from certain mines?—A. Yes. Well, generally speaking the Drumheller coal is high in moisture and that coal slacks very quickly when exposed to the weather.

Q. Is it not true, as it gets farther east the moisture in the atmosphere is much greater?—A. There would be some moisture go out of it, but not a great deal.

Mr. CANTLEY: It is not the moisture in the atmosphere, it is the moisture in the coal.

Mr. ARMSTRONG: The moisture is taken out of the coal by the atmosphere.

The WITNESS: That is largely the way it comes from the mine. American coal has very little moisture in it, some mines less than half of one per cent. You will get western coal with ten, twelve, and twenty per cent moisture in them. That moisture is in the coal as it comes out of the ground.

By Mr. Armstrong:

Q. That might be, but would it not be feasible to cover these open cars with canvas or something?

Mr. CANTLEY: Mr. Armstrong, allow me; what happens is this: you take the lignite that has got 12 per cent moisture, if you get down to freezing weather the moisture in the coal freezes solid like a chunk of ice; when it does it disintegrates. In hot weather it comes down in moisture to some extent, evaporates, and again it disintegrates.

By the Chairman:

Q. In your opinion Drumheller coal could not be transported economically in open cars?—A. Well, I do not think it could be transported economically with the loading facilities at the head of the lakes.

By Mr. Bury:

Q. Can you speak of any method by which transporting that coal in closed cars, and trans-shipped at the head of the lakes could be in any way facilitated in a similar manner to which they dump the grain cars?—A. The grain cars are tilted up but, of course, grain will flow much easier than coal.

Q. Still you think there would be some way by which they could lift up the side of the coal car, have one side that would lift up some way and shoot it out.—A. There might be somebody with a mechanical turn of mind who could, if necessity demanded it, invent something of that kind.

By the Chairman:

Q. That would be entirely to meet the coal situation.—A. I do not think anybody would want to spend the money in equipment at the head of the lakes unless they were assured of a specific tonnage. Then you would have the ore rate to compete with, your coal rate coming down would have to compete with your ore rate from Duluth which is about 70 cents.

[Mr. R. C. Vaughan.]

By Mr. Armstrong:

Q. You think it would be about 70 cents to bring the coal down?—A. Based upon your ore rate to-day.

By Mr. Howden:

Q. There seems to be more or less a prevalent idea that conditions for transportation or shipment may be so improved as to materially lower the cost of the coal in a general way; in a general statement do you think that is possible?

—A. Are you referring to western coal now?

Q. All coal; it has been put out as a possible suggestion by members of this Committee?—A. The only economical way of handling coal, of course, is by having cars as large as you can and engines as large as you can to pull the biggest train load possible.

Q. Quite so; but from your own standpoint do you see any prospect in the future of conditions being so improved that the cost of coal will be materially lowered?—A. I do not believe so.

By Mr. Armstrong:

Q. You do not mean to say, Mr. Vaughan, that you are hauling coal as economically as possible in these grain cars such as come down to be distributed in the Province of Ontario, surely?—A. I do not.

Q. You do not believe that is an economical way of handling coal from the West?—A. Oh no.

Q. The way in which you are handling it now?—A. No.

Q. If the cars were twice the size you could handle them for less money per ton?—A. If we had open top cars and that coal would handle in open top cars and we had return loads for the cars, I would say we could handle it at a minimum cost.

Mr. GERSHAW: That is all prospect.

By Mr. Armstrong:

Q. As far as Port Arthur and Fort William, how large a car could you handle, 100-ton cars, for instance?—A. Not on many of our lines; on some of our lines we could.

Q. 75-ton cars?—A. Yes, we could handle 75-ton cars.

By Mr. Bury:

Q. And the cars now employed on the western coal movement will carry about 30 or 40 tons?—A. Yes, the box cars would not average more than between 30 and 40 tons.

Q. What would the biggest car carry, supposing it is filled?—A. With coal?

Q. Yes?—A. 32 to 35 tons. (Box cars.)

Q. So that even with the biggest box cars you could not get more than about 32 to 35 tons in a car?—A. No.

Q. How many cars could be taken on a train?—A. There it depends on the district again. We have hauled 100 cars of grain on some trains.

By the Chairman:

Q. But not on all divisions?—No, only on some.

Q. What would be the minimum?—A. Well, when we get down to hauling coal out of some of the mines we get down to a very low tonnage, perhaps, 20 cars, depending upon grades and other conditions.

By Mr. Howden:

Q. The point is, there is not very much hope for much lower costs in the near future?—A. I do not think there is. If you take our rates—I do not want

[Mr. R. C. Vaughan.]

to get into a discussion on freight rates—but if you take our rates and compare our rates with those in the United States where they have their 100-ton cars, most modern equipment, and their expenses are lower, their freight rates are proportionately higher than ours.

By Mr. Bury:

Q. I was not thinking of a comparison of rates. What I was thinking was that these rates were worked out on that 1,800 tons train. It seems quite plain to me that unless it is possible to take a train of 2,500 or 3,000 tons we cannot get down to the rate that we want but if we could do that in any way, we could get down to a rate that would be economical?—A. Well, I am, of course, in favour of using all the western coal that can be used in the east. There is just one thought that comes to my mind; we are buying coke at the Niagara frontier for \$6.20.

Q. What for?—A. We are using it for domestic purposes. Well, that western coal could not be brought here to compete against that coke at \$6.20 at the frontier.

By the Chairman:

Q. Is this good quality coke?—A. Yes.

By Mr. Bury:

Q. \$6 a ton?—A. Yes.

By Mr. Armstrong:

Q. You made a statement a few minutes ago to the effect that the Pennsylvania road, I think it was, put in a dumper on Lake Erie costing a million dollars?—A. It cost them I think about \$800,000; I said a million would be at least our cost up in this country.

Q. But that would include all railroad facilities leading to the dumper?—A. No, this was just a new car dumper.

By Mr. Cantley:

Q. A car dumper would include the structure?—A. It is steel structure with telescopes; it is a very elaborate affair.

Mr. HOWDEN: There is no immediate prospect of displacing American steam coal by Canadian coal; it gets down entirely to the matter of price and conditions do not seem to lend themselves to that.

By the Chairman:

Q. Are the prices of coal in the west going down?—A. They have been going down but they only go down as they increase their production and get reduction in the wages. They have been decreasing a little in the last year or two but we have only been able to get decreases as the wages alter.

Q. Existing wage situation?—A. Wages are the determining factor in the price of coal.

By Mr. Armstrong:

Q. If the workmen had work all the year around they would be able to reduce the cost?—A. I do not believe they would get their labour schedule very much lower. They might get more production per man at the mines but that is something they have been trying to get for some time.

By the Chairman:

Q. I understand, Mr. Vaughan, that the production per man in West Virginia is considerably greater than it is in any of our Canadian mines?—A. It is, yes.

[Mr. R. C. Vaughan.]

The CHAIRMAN: This information we will get from the operators a little later. It would not be fair to ask Mr. Vaughan, or any one connected with the transportation problem to give us this information.

The WITNESS: That is one thing we are trying to discover ourselves, namely, the cost.

By Mr. Armstrong:

Q. You have not given us any information regarding transporting Alberta coal where Ontario is concerned. Have you not a suggestion to offer that would improve the present conditions in the way of such transportation?—A. Well, that is something that our folks have given a good deal of thought to, Mr. Armstrong, but in view of the very low price of American coke it, perhaps, looks to be a very difficult thing for Canadian coal to meet U.S. competition in Ontario. Now, you have got coking plants in Hamilton, and the British Empire Steel are bringing up a lot of coke into Montreal that they produce in Sydney.

By the Chairman:

Q. Any farther west than Montreal?—A. I think they have probably moved some coke to Ottawa. It seems to me one of their men told me they had.

Q. Would you have any idea of the price of that coke landed in Ottawa?—A. I do not know. I suppose it probably runs maybe, perhaps, \$9 a ton on cars at Montreal wholesale or something of that kind.

Q. It could be brought in below the price paid for American anthracite?—A. I think so.

By Mr. Armstrong:

Q. Getting back to that question I asked you for any suggestion as to the improvement of conditions in moving western coal east, you had not quite completed your statement?—A. Well, to be candid on that, I would rather you spoke to the people who made the statement before on these matters because they dealt with that from a transportation and traffic standpoint and I think it would be better to get them to discuss that feature.

Q. You believe that 100-ton cars could be handled successfully from practically all the mines to Port Arthur and Fort William?—A. Well, only where conditions would permit it. Our tracks in a good many cases may not be heavy enough. On some of our branch lines we have only 60-pound rails and we would probably have to replace a good deal of that rail. Of course our main line has 85-pound rails from Edmonton east.

By Mr. Bury:

Q. I want to find out what features are involved in bringing up the possible freight haul from 1,800 to 2,500 or 3,000 tons, what features were involved in that, and you say Mr. Hungerford can tell us?—A. Yes.

Mr. BURY: Because it then will come to the question as to whether it might not be wise to try and get the Government to make some concession for the purpose of bettering the grade or making your rails heavier or doing whatever is necessary for the purpose of enabling us to get 2,500 or 3,000-ton train haul.

The WITNESS: I think Mr. Hungerford, or someone in his department could give you more information because he and his engineers have made a study of that for some time.

By Mr. Armstrong:

Q. Just one more question, Mr. Vaughan, and it is this: You have made a statement in regard to that dumper costing a million or \$800,000, and that it is not practicable to suggest any such proposition; but is it not true that dumpers

[Mr. R. C. Vaughan.]

that are doing most of the work at Toledo and around Cleveland are dumpers that only cost, actual cost of the dumper itself is perhaps \$150,000?—A. I do not think you would get any for that; I would say the average cost there would be half a million dollars, anyhow.

Q. That would include all rail facilities to the dumper and everything connected with it?—A. It might include some rearrangement of the tracks to the dumper, or something of that kind. You take those docks at the head of the Lakes for discharging coal; lots of those docks cost a million dollars or more.

By the Chairman:

Q. Those at Port Arthur and Fort William?—A. Yes.

By Mr. Armstrong:

Q. The Government have docks at Port Arthur and Fort William that could be used for that purpose?—A. Could not be used for dumping coal. They are built for discharging coal; it requires a different kind of plant entirely to dump coal into the boats. If coal were being handled there now to the head of the Lakes, or to Georgian Bay points, it would be very slow operation. It could not be done with the present equipment.

By the Chairman:

Q. Do you mean that special transportation facilities would be required?—A. Special dumping facilities would have to be arranged to dump that coal.

Q. Both at the starting and landing points?—A. Yes, both at the starting and landing points.

By Mr. Armstrong:

Q. With the present rail facilities you could not handle 75-ton coal cars?—A. We can on our main lines, yes.

Q. Have you the equipment at the present time?—A. We have not got open top car equipment, that is if coal were going to move in any volume.

By Mr. Armstrong:

Q. What is the cost of a 35-ton coal car?—A. It would cost perhaps something between \$3,500 and \$4,000 per car.

Q. You are getting 100,000 tons of broken coal from the Acadia mines this year?—A. Yes.

Q. That is going up to Lévis and Montreal?—A. Yes.

Q. What engines are you using that on?—A. Well, we are going to use that on the 6,000 class.

Q. With automatic stoker?—A. With automatic stoker.

Q. That is the reason?—A. That is the reason we want it sized.

Q. That is the reason you want hard coal?—A. Yes.

Q. Acadia coal being considerably harder?—A. It handles well in the small size.

Q. That has proven very satisfactory?—A. Yes.

Q. You had it last year?—A. Yes, and we are getting more of it this year.

Q. They began shipping it. One or two steamers have sailed from Pictou?—A. Yes.

Mr. ARMSTRONG: Where does the bulk come to, Montreal?

Mr. JENKINS: Most of it comes to Lévis.

Mr. ARMSTRONG: None of it going farther east from Lévis?

Mr. JENKINS: Yes, goes to Rivière du Loup.

Mr. ARMSTRONG: Below that point you take it by rail?—

[Mr. R. C. Vaughan.]

Mr. JENKINS: Take it down by rail.

Mr. ARMSTRONG: You have had no coal into the lower ports, for instance, Newcastle?—A. Not this year.

The WITNESS: No, we are doing all that by rail.

The CHAIRMAN: No more questions, Mr. Vaughan.

The WITNESS: If there is any information you want in connection with our points of consumption or anything of that kind I will make you a statement if you wish showing how the Canadian coal and American coal would be divided.

The CHAIRMAN: We would appreciate that very much.

Mr. CANTLEY: I would like to say this. The Canadian National Railways are bringing 600,000 tons into the St. Lawrence, the C.P.R. are not bringing in a ton of coal into that district.

Mr. HOWDEN: That is what I say, let us get that cleared up.

The WITNESS: I might say with this additional 150,000 tons to be taken to Ottawa and Brockville we will move about 750,000 tons up from Nova Scotia by water this year.

Mr. CANTLEY: There is three-quarters of a million tons and the C.P.R. are not bringing any.

The CHAIRMAN: That is why we are asking the C.P.R. representative to appear before a special meeting to-morrow at 11 o'clock.

The WITNESS: That is one reason I did not want to give prices because I know the British Empire Steel Corporation are negotiating with them and they give certain prices for certain districts.

Witness retired.

Committee adjourned at 12.55 until 11 a.m. to-morrow, June 2nd, 1926.

COMMITTEE ROOM 435,
House of Commons,
WEDNESDAY, June 2, 1926.

The Special Committee appointed to investigate our present sources of supply of anthracite and bituminous coal, the dependability of such sources and other matters in relation thereto, met at 11 o'clock a.m., the Chairman, Mr. Lapierre, presiding.

THOMAS BRITT called and sworn.

By the Chairman:

Q. Mr. Britt, you are the General Fuel Agent for the Canadian Pacific Railway?—A. I am.

Q. You have been in that position for how many years?—A. Eighteen or nineteen years.

Q. And your duties are to purchase the entire coal supply of the Canadian Pacific system?—A. No, not the entire; part of the coal supply, for the western territory is purchased from Winnipeg; it is the local supply.

Q. The local coal? That is the coal used on the eastern section of your railroad system?—A. No. The coal that is used on the western section is brought from Winnipeg; eastern coal, however, is sent to Fort William for the east end of the western line which I buy, along with the other eastern coal.

[Mr. Thomas Britt.]

By Mr. Cantley:

Q. You buy all the coal used from here?—A. East of Fort William.

By the Chairman:

Q. Have you prepared any statement with regard to the purchase of your coal, Mr. Britt?—A. Well, I have got our purchases for last year as to the volume. The last year there was American coal purchased for the lines east, approximately 1,600,000 tons. Canadian coal for lines east, approximately 65,000 tons. Canadian coal for lines west, 1,700,000 tons. Our American anthracite coal purchases both east and west, all purchased in the east, about 7,000 tons. I might explain in connection with the American anthracite, that that coal is practically used exclusively for Baker heaters and coaches, to supplement the steam heat when necessary.

By Mr. Cantley:

Q. How much did you say?—A. 7,000 tons. And we bought British anthracite, about 1,200 tons. The major portion of our heating of stations on the lines west is practically all western coal.

By the Chairman:

Q. West of?—A. Fort William. On lines east practically all our stations are heated by coke. We have been burning coke in our stations for several years. Our purchases of Canadian coke last year were 11,000 tons.

By Mr. Bury:

Q. Canadian coke, you say?—A. Yes, Canadian coke, 11,000 tons, and American coke, 1,300 tons. In addition to what figures I have mentioned there we use for bunkering our steamers on this side of the water, that applies to Quebec, Montreal and St. John, American coal 21,000 tons, and Canadian coal 41,000 tons. Of the American coal that I mentioned, namely, the 15,000 tons 5,000 tons of that was American coal bought by the Besco Company during the time of the strike which they supplied to us.

By Mr. Cantley:

Q. 15,000 out of 21,000?—A. Out of the 41, I gave you there,—American coal is 21,000 tons which includes 5,000 tons which was delivered as a substitute for Canadian coal, and our Canadian coal was 41,000 tons.

By Mr. Flemming:

Q. Those figures are your supplies east of Fort William?—A. Yes; of that there are 5,000 tons of the anthracite, 5,000 tons for west of Fort William.

Q. But all the other figures apply to your?—A. Eastern lines.

Q. —requirements east of Fort William?—A. Yes sir.

By Mr. Bury:

Q. What coal do you use on your steamers?—A. Which steamers do you refer to?

Q. C.P.R. steamers, any of the steamers; what steamers have you, what steamer lines have you?—A. We have got the Atlantic, Pacific Ocean, rivers and lakes.

Q. What about the lakes?—A. On Lake Superior, inland lakes, we use American coal. On all our western steamers we use Canadian coal where the steamer is not equipped as an oil burner.

Q. That is on the Pacific?—A. Pacific and in the inland lakes.

[Mr. Thomas Britt]

Q. On the inland lakes you use American?—A. On the inland lakes we use Canadian coal where the steamers are coal-burning; there are a number of the steamers, of course, that are oil-burning.

By the Chairman:

Q. What is the source of supply for your western coal?—A. We get some of it from the far western end, from Vancouver Island; we get more of it from off the line to Kettle Valley; some of it in British Columbia, Fernie, and more of it in Alberta.

Q. How far east on your system do you use that western coal?—A. We are using that as far east as Kenora, that is the terminal east of Winnipeg.

By Mr. Armstrong:

Q. On all your lines?—A. All lines. That is from the west, we are coming from the west east; the western lines use Canadian coal as far east as Kenora.

By Mr. Howden:

Q. Your engines take on Canadian coal east of Kenora?—A. I do not know, sir, I am not personally conversant with that.

The CHAIRMAN: Very likely they do.

The WITNESS: What would more likely be, the engines running westward would take Canadian coal, and engines running eastward would take American coal.

By the Chairman:

Q. At Fort William?—A. No, Kenora. There is no other coal at Kenora but the Canadian coal.

By Mr. Howden:

Q. Your engines would coal east of Kenora?—A. Yes.

The CHAIRMAN: At Fort William; that is the next divisional point west.

By Mr. Dougall:

Q. Is not it true you use Alberta coal east and west bound out of Kenora, you take Crow coal out of Kenora?—A. East and west.

By Mr. Armstrong:

Q. Is there any likelihood of your reaching Fort William to use Canadian coal both ways?—A. I do not think so.

Q. Why not?—A. Because what they are doing at the present time is largely a matter of policy to help the western lines.

Q. That is, they are coming as far east, economically speaking, as they can?—A. Well, personally, I think they are coming too far east, but as a matter of policy we decided to do that.

By Mr. Howden:

Q. Could you give us offhand, the difference between what the coal costs you at Kenora and the lignites?—A. I have not got the figures, sir.

Q. That is to say, the western coal at Kenora and the eastern coal?—A. I have not got the figures for either one or the other.

By Mr. Bury:

Q. I suppose for your lake boats you coal up on the American side?—A. Our lake boats coal at Fort William and sometimes at Port McNichol. We do not use a very great quantity of coal on the lakes; we have only got five boats.

By Mr. Howden:

Q. Can you tell me if that lignite coal is cheaper than the Kenora coal?—

A. I do not handle the western lines, they are all handled in Winnipeg.

By Mr. Cantley:

Q. Perhaps you could get the information and let the committee have it later?—A. If the company cared to do so.

Mr. DOUGALL: Might I state that it is hardly fair to ask Mr. Britt, the prices of our fuel.

Mr. ARMSTRONG: It was understood yesterday, as far as the C.N.R. were concerned—

Mr. DOUGALL: It is hardly fair.

Mr. ARMSTRONG: We would not insist upon it.

Mr. HOWDEN: I was going to ask the question with regard to the information we had yesterday in reference to the comparative cost of eastern and western coal.

Mr. ARMSTRONG: They were given to us yesterday.

Mr. HOWDEN: We were given to understand that eastern coal was cheaper to the company than the western coal and that it got as far east as Winnipeg. I submit, Mr. Chairman, so far as the figures or costs were concerned, there was no hesitation yesterday. We were not asking for exact figures, we were asking for comparative costs.

The CHAIRMAN: I had reserved it for the mine operators to give us the exact prices of coal at the mouth of the pit, and to get the cost of transportation from our transportation expert. I can very readily understand that the purchasing agents of two large corporations would have some hesitation in giving prices, which are more or less competitive, to this committee. I believe we can get that information in some other way.

Mr. HOWDEN: We are not asking for the price, we are asking whether one coal is cheaper than the other.

The WITNESS: I have told you they are moving coal to Kenora, as a matter of compassionate policy, put it that way.

Mr. CANTLEY: Yesterday the representative of the Canadian National Railways gave us definite figures of what the coal was costing at various points.

Mr. HOWDEN: He did not tell us what this coal cost at Winnipeg, he said there was a difference of \$2 and some cents.

Mr. CANTLEY: He gave us figures at Fort William.

By Mr. Gershaw:

Q. Is that coal shipped in box cars, closed cars from the west?—A. I am not familiar with that. I would presume it would be, the bulk of it; I am not prepared to say because I do not handle the details of the western end.

Mr. DOUGALL: I can answer that.

By Mr. Gershaw:

Q. You do not know whether it is stored in closed sheds, or in the open?—A. Stored in the open.

By Mr. Bury:

Q. Banked?—A. Banked, yes; we have got no coal shed at all.

[Mr. Thomas Britt.]

By Mr. Armstrong:

Q. Does it keep in good condition when it is banked?—A. I have not heard any complaints about it. Remember, that is steam coal, that is not domestic coal; I am talking of bituminous coal which would not weather the same as your domestic coal, lignites. Some coals will not weather the same as others.

By Mr. Bury:

Q. Your evidence is all about steam coal.—A. That is all. I do not profess to know anything about the other.

MR. BURY: And as far as steam coal is concerned, so far as you know, that banks all right.

THE CHAIRMAN: Mr. Dougall is a representative of the C.P.R. and as he will very likely be asked questions, I think he should be sworn.

JAMES DOUGALL called and sworn.

MR. DOUGALL: Crow coal will stand storing indefinitely.

By Mr. Armstrong:

Q. Which?—A. Crow coal, Crow's Nest Pass.

MR. CANTLEY: I did not hear the answer; what is the statement?

THE WITNESS: It will stand storing indefinitely. Crow's Nest bituminous, either from Fernie or Alberta.

By Mr. Bury:

Q. Do you know as to any other bituminous coal from the west; for instance, do you get any coal from Brazeau, or do you get all your western coal— —A. We do not get any coal from Brazeau because Brazeau is on the Canadian National and is part of their system.

Q. Your bituminous coal from the west comes entirely from Crow's Nest? —A. No sir. It comes 75 per cent from the Crow's Nest and the balance comes from the Canadian Pacific main line west of Calgary, at Canmore.

By Mr. Armstrong:

Q. And the coal you are speaking of now does not disintegrate?—A. No, sir; it is about 80 per cent slack as mined.

By the Chairman:

Q. Run of the mine?—A. Yes sir.

Q. That coal is transported in ordinary coal cars?—A. It is transported according to the requirements of the railroad. Sometimes if they are moving box cars eastward they shoot their boxes into the mine and they load them by loaders. If they have lots of open cars, steel dumps, they use them. It depends entirely on the requirements of the operating department of the road.

By Mr. Bury:

Q. In other words, box cars are not used because that type of car is required; an open car is just as good as that.—A. It is better, because when the fuel men come like, Mr. Britt, want to stock coal in their dumps, they put a track over the top of their stock pile, and they can dump their bottoms and save themselves some money.

By Mr. Howden:

Q. Is your Canmore coal the same as the Crow's Nest?—A. No sir.

[Mr. James Dougall.]

Q. It is anthracite?—A. No sir. It is a little different from the Crow coal. Our coals on the Crow are straight bituminous coal, and the Canmore coal is slightly different, it is between bituminous and anthracite. The other anthracite mine is about 16 miles west of Canmore.

By Mr. Armstrong:

Q. Are there any mines that furnish coal of domestic quality similar to that which is furnished from the Drumheller field?—A. No sir, not in the Crow's Nest pass.

By Mr. Howden:

Q. But the other is more or less similar?—A. I beg your pardon.

Q. The Canmore coal is more or less similar to the Drumheller coal?—A. No sir; the Drumheller coal is a lignite, the coal from Canmore is bituminous.

By Mr. Cantley:

Q. Or Semi-anthracite.—A. It is not semi-anthracite, sir.

Q. Where do you get the semi-anthracite from that you referred to?—A. It is not semi-anthracite. I said it was a little different from the bituminous, you see, due to pressure. There are some anthracite coals, so-called, that are not being mined at the moment. The C.P.R. closed their Bankhead mines many years ago.

Q. I thought that was the coal you referred to.—A. No, I am speaking of Canmore.

By Mr. Armstrong:

Q. The semi-anthracite mines are closed, as you say?—A. Yes sir.

Q. Would that kind of coal be suitable for domestic purposes?—A. The Canadian Pacific Railway for many years attempted to put that coal on the market, but it was not commercially possible, so naturally, in their good judgment, they closed it down.

By Mr. Bury:

Q. What market were they trying to get?—A. Prairie markets, sir.

Q. Would it not be suitable for household use?—A. It was suitable, but the percentage of slack mined was so great that in trying to make a commercial coal out of it by briquetting the price was too high, it was not commercially feasible.

By the Chairman:

Q. That was attempted and abandoned later?—A. Yes sir.

Q. Do you use this bituminous coal in the west for your domestic purposes, in your stations throughout the west?—A. No sir, we use simply—generally speaking, we use lignites in the west.

By Mr. Cantley:

Q. Are you familiar with the process of briquetting?—A. Yes sir.

Q. What was used to bond it?—A. We used tar.

Q. Where from?—A. We brought it from the States.

Q. What proportion of tar?—A. I think the stock that was used was 12 per cent, something like that.

Q. It was too expensive?—A. Too expensive, sir.

Q. What form of briquettes did you make, small ones, or block size?—A. No, 4-inch briquette.

By the Chairman:

Q. How long was this briquette plant operated?—A. About fifteen years.

[Mr. James Dougall.]

By Mr. Armstrong:

Q. Would this semi-anthracite be suitable for use in Ontario?—A. It might, but the cost of mining and the cost of transportation, in my opinion, it would not be feasible, sir.

By Mr. Bury:

Q. In any case, I understand it could not very well be put on the market as a domestic fuel without briquetting?—A. Oh yes, the sizes could, but the slacks, no.

By Mr. Cantley:

Q. What is the proportion of slacks in that Bankhead?—A. About 50 per cent.

Q. Is that hand-picked mining or machine?—A. In those mines there is no such thing as machines. The Bankhead mine stands about 62 degrees or 63 degrees, you understand.

Q. I understand; machine mining is impossible under those conditions.—A. No sir.

By Mr. Armstrong:

Q. Have you considered the handling of that coal by lake and rail?—A. No sir.

Q. Could it not be handled in that way?—A. No sir.

Q. Why?—A. Because that class of coal is too friable. I am speaking now of the so-called anthracite of Alberta, not of the lignites, Mr. Armstrong, do not misunderstand me.

By the Chairman:

Q. But you have come to the conclusion that coal from Alberta is now being used as far east as it possibly can.—A. Well now, Mr. Lapierre, let me be perfectly clear; are you speaking of domestic coal?

Q. I am speaking of bituminous coal.—A. Bituminous coal, yes sir. Mr. Beatty and Mr. Hall, who are our president and first vice-president, decided this year that they would extend the use of Alberta bituminous coals to Kenora, Ontario. Previous to that time, since about 1910, they had only been using Alberta coal as far as Winnipeg, that is steam coal, such as Mr. Britt buys. We were storing coal at Winnipeg as well, but due to the lack of employment in the Crow's Nest Pass, the operators met my executive and asked them if they could not, for compassionate reasons, use the coal further east and our people, after considering it—Mr. Beatty decided that they would extend that as far east as Kenora, Ontario, and we are now burning that fuel, so Mr. Golden tells me, who is our vice-president of Western lines, east and west, out of Kenora. It is not good economics from various standpoints, but I do not see—

By Mr. Howden:

Q. It would not be feasible to move any of that western coal down east of Kenora for domestic use or anything else?

MR. BURY: Cover one thing. If we are talking of steam coal, keep to that.

THE WITNESS: Are you speaking of steam coal or domestic coal?

By Mr. Howden:

Q. The coal I was thinking of was the Canmore coal. Can it be utilized as domestic coal?—A. No, sir. The Canmore coal except from the Scott mine, is not a domestic coal because its percentage of slack is so high they have to briquette it.

[Mr. James Dougall.]

Q. The Crow's Nest can be used as domestic coal?—A. Yes, sir. Michel coal can be, and is used; that is in British Columbia.

By Mr. Armstrong:

Q. Does the C.P.R. own any mine that would be suitable for furnishing domestic coal in the province of Ontario?—A. Yes, sir.

Q. Where?—A. At Galt, Lethbridge.

Q. To what extent; what capacity?—A. The Galt mines produce about a thousand tons a day.

Q. What class of coal is that?—A. Lignites, sir.

By Mr. Bury:

Q. How far does your market for that extend now?—A. Winnipeg; and the demand is far more than we can supply.

Q. Do you think it could be brought any further east than Winnipeg?—A. Yes, sir.

Q. How far east do you think it could go?—A. It could be brought any distance providing the rate would permit it.

Q. That is the whole question; but as far as disintegration.—A. Galt coal will stand, under proper conditions, storage for eight or nine months.

By the Chairman:

Q. What do you consider proper conditions?—A. That is under cover, free from wind, weather.

Q. For what length of time?—A. Nine months.

By Mr. Flemming:

Q. How long if exposed; if in a dump, how long?—A. It won't dump. We do not put lignite coal in the open air; it cannot be dumped.

By Mr. Armstrong:

Q. Could it not be carried to Port Arthur and Fort William by large open cars, 75 or 100 ton cars?—A. It could yes, but we do not usually ship lignites in open cars.

Q. Yes, but for dumping into lake vessels?—A. It could be done.

By Mr. Bury:

Q. Supposing you got a continuous movement in the summer, before the grain crop commences to move—that was the original idea—a volume movement in the summer in open cars to the head of the lakes; do you think lignite would materially decrease in that time?—A. It would not in itself, but in the handling from the car into the steamer and from the handling at Toronto, would very necessarily involve loss to the dealer.

By Mr. Armstrong:

Q. Any serious loss?—A. I think it would be rather serious with a good many coals.

Q. What percentage?—A. Well, I cannot tell you offhand because we have never tried it, but this I will tell you; take the Drumheller coal, I know them very well, even handling from the mine into the box cars—most of this coal is shipped in box cars—the breakage is quite considerable, it is like glass, you know. I am just trying to express what happens.

Q. These smaller cars have a lot more jarring.—A. It is not in the cars, it is going into the cars, not in the car itself.

[Mr. James Dougall.]

By the Chairman:

Q. It is the actual handling?—A. Yes sir. This coal is brittle, and there is no doubt there would be a loss in slacks for which the dealer must pay because the ordinary lady who buys coal for her home, when she sees a lot of slack in the coal, she objects to it very seriously.

By Mr. Armstrong:

Q. It could be graded at Toronto, could it not?—A. Yes, but that lignite slack would have to be sold. Now, the price of lignite slack in the Drumheller field is sometimes as low as 25 cents a ton.

By Mr. Bury:

Q. That is because it is in the Drumheller field, at the pit-mouth or at the mine where they have enormous quantities of it, and cannot get rid of it.—A. Quite, that is what I am saying.

Q. But the same thing would not prevail to the same extent in Toronto or London or Hamilton, or any of those other places where the amount would not be unlimited.—A. Yes sir, but you misunderstand the situation, if you will excuse me. At Toronto you are up against Pecohantas and high grade bituminous slacks which are also screened, with a b.t.u. content of between 13,000 and 15,000, with an ash content of three or four, and our Alberta lignites cannot compete on a straight slack basis.

Q. You mean to say the slack cannot compete with American slack?—A. Yes. Our lignites will run in moisture, as you know, from twelve to fourteen per cent; Lethbridge nine to twelve, and the Edmonton still higher.

By Mr. Flemming:

Q. And your American slack has greater heat in it?—A. Not only that, but it has no moisture.

By Mr. Bury:

Q. Is that American bituminous slack suitable for domestic use?—A. No sir.

Q. That is what I am talking about.—A. Nor is our Alberta slack.

Q. In other words, the slack, whether it comes from the States, or whether it comes from Canadian mines, would have to be used for steam purposes.—A. Yes sir, or in specially constructed furnaces in your home.

By the Chairman:

Q. Would it be feasible, Mr. Dougall, to have lignites brought from the coal fields of Alberta to Fort William, transferred to boats at Fort William, with the erection of a plant for using the slack or the screen at Fort William and converting it into gas or for its by-products; is such a plant feasible?—A. I do not think so, because if you convert it into gas, naturally you use bituminous coal. The slacks from the lignite fields of Alberta are non-coking, and they would make nothing but ash.

Q. It would not be feasible, even with the bituminous coal?—A. Yes sir, but bituminous coal is not domestic coal. There is a mine at Michel, British Columbia which furnishes a coal which is being sold for domestic purposes at this present time, but the mines on the Canadian Pacific lines in Alberta produce a very very, large percentage of slack and they are not particularly suitable. The Bellvue mine of the West Canadian Collieries did sell a considerable amount of domestic coal which was screened, but there was 62 per cent of slack.

[Mr. Thomas Britt.]

By Mr. Flemming:

Q. But your coal is suitable for steam coal purposes of the railroad?—A. Oh yes, all the bituminous coal.

Mr. CANTLEY: I would like to ask Mr. Britt some questions as I have to leave in fifteen minutes.

The CHAIRMAN: You would like to hear Mr. Britt?

Mr. DOUGALL: I know nothing about eastern coal.

By Mr. Cantley:

Q. I understand you to say, Mr. Britt, that you bought 65,000 tons of Canadian coal on the eastern division?

Mr. BRITT: (Answering) Yes sir.

Q. Would you be good enough to tell me where that was delivered?—A. West St. John, N.B. I am not including any of our subsidiary lines in that because in addition to our own 65,000 tons, our Dominion Atlantic probably use 40,000 or 60,000 tons as well.

Q. Can you tell me what mines that comes from?—A. Cape Breton and Springhill, principally Springhill.

Q. How much do you say the Dominion Atlantic use, 40,000 or 50,000?—A. Between forty and sixty thousand. I would say that principally comes from the Acadia.

Q. All Acadia?—A. I think it is all Acadia, as far as I know.

Q. Now, that 65,000 you say is largely Springhill?—A. Well, it is mostly Springhill in the summertime and considerable of it is Cape Breton coal in the winter time.

Q. Springhill coal, of course, comes over by barge?—A. Comes over by small steamers.

By Mr. Flemming:

Q. From Parrsboro?—A. Yes.

By Mr. Cantley:

Q. What coal are you using at Brockville, for instance?—A. Brockville is not a coal station at all, we do not handle any coal into Brockville at all. We do handle at Prescott, but we abandoned Brockville twenty years ago.

Q. Do not coal your locomotives there at all?—A. Oh no.

Q. What about Ottawa?—A. Ottawa is American coal.

Q. All American?—A. All American, brought in by Prescott.

Q. What about Montreal?—A. Montreal is all American coal.

By Mr. Howden:

Q. Might I ask you, Mr. Britt, how far west you use the maritime coal, where the dividing line is between American coal and the eastern coal on your lines?—A. We use Canadian coal out of St. John and into, but not including, McAdam.

By Mr. Cantley:

Q. McAdam is American coal?—A. Partly American coal and partly Minto.

Q. How much Minto do you use?—A. I would say offhand, about, probably about 50,000 tons.

Q. At Quebec, American coal?—A. American coal at Quebec.

Q. The townships are the same?—A. Yes, all American coal for the last two years.

[Mr. Thomas Britt.]

Q. Well, we were told yesterday by the vice-president of the Canadian National Railroad that they were using in the St. Lawrence district and tributary to Quebec and Montreal, some 750,000 tons; could not your railroad do the same?—A. Not at the price.

Q. How much difference is there between the American price and the Canadian price?—A. Well, if you are taking prices—I beg your pardon, what did you say there?

Q. How much difference is there between the American and Canadian price?—A. Well, in dollars and cents, you mean?

Q. Yes.—A. Well, it is not a matter of price, it is a matter of price and quality, Mr. Cantley.

Q. Well, I understood you to say first it was a question of price?—A. Price and quality.

Q. There was a time in the past when you did use Cape Breton coal?—A. Yes sir, when we got it at a price that permitted it to be used.

Q. At what price was that?—A. We got it about \$2.25 a ton delivered on cars at Montreal.

Q. \$2.25?—A. Yes sir.

Q. Do you think you are correct in that?—A. Yes sir, absolutely.

Q. What years?—A. I won't go back to the actual years, about, probably 1908 or -09 or -10.

Q. From what district?—A. Sydney, Cape Breton, shipped by the Dominion Coal Company, as it was known at that time.

Q. Your statement astonishes me.—A. It would astonish you also that we bought in competition with that, American coal at 80c at the mine.

Q. No, that would not astonish me at all.—A. We have Cape Breton coal delivered at Montreal for about \$2.25 a ton on the car.

Q. The Cape Breton people were public benefactors in that case, in my judgment.—A. Well, they benefited, helped themselves too, at the same time.

Q. I am aware of you buying coal for \$3 and a few cents, from that up to \$3.25, but I was not aware of any such figure as \$2.25.—A. Yes, sir.

Q. I have been connected with the delivering of coal in the St. Lawrence for a good many years.—A. Well I have been indirectly connected with the St. Lawrence, principally in the coal business with the C.P.R., for about thirty years.

MR. CANTLEY: Well, I can go back a little behind that. However, we will not discuss that.

By Mr. MacDonald (Cape Breton South):

Q. This question of price and quality; will you tell us what the difference in price was last year, at the time Col. Cantley refers to, about the C.N.R.?—A. What the price is?

Q. What the difference in price was? You said there was a difference in price and quality?—A. Yes.

Q. Can you tell us what the difference in price was?—A. Not offhand, no sir.

Q. Approximately?—A. No sir.

By Mr. Cantley:

Q. Well, was not there an effort made this year to induce your people to buy coal in Montreal from the Cape Breton mines?—A. A price was fixed and we were told we could take it or leave it at that price.

Q. Well, a matter so late as that, I would have thought you would have remembered what the difference was between the American and Canadian price.—A. They did not attempt to give us a price; they fixed a price and "there is your price, take it or leave it."

[Mr. Thomas Britt.]

By Mr. MacDonald (Cape Breton South):

Q. Was not that the price the C.P.R. was paying?—A. Yes.

Q. Did not that fix the price?—A. Yes.

Q. Did not you offer to take it at a lower price?—A. We told them we would not take it at that price.

Q. Did not you fix a price at a very much lower rate?—A. Approximately, yes; I do not know as I even offered a definite price.

Q. They must have offered a definite price when they had already arranged a contract with the C.N.R., the price must have been fixed for that.—A. Yes, they offered me coal at that price.

Q. Well, did you make them another offer in addition to that?—A. I told them what I would pay, I told them I would pay them the same as I paid in 1924.

By the Chairman:

Q. You have in the past bought large quantities of Cape Breton coal at Montreal for the use of your corporation?—A. Yes.

Q. And for economic reasons you are not buying it to-day?—A. That is it.

By Mr. Cantley:

Q. What was the difference between the price they offered you and the price at which you could lay down American coal?—A. I do not know as I have got to tell you that, Mr. Cantley.

Q. I think that is a fair question.—A. I wanted to keep away from the matter of price, I am not going to dig into prices.

MR. CANTLEY: Mr. Chairman, I am only asking what the spread is between the price asked for Canadian coal and the price asked for American coal. I think that is a fair question; I am not asking about prices, I am asking about the difference. I want to know how far Nova Scotia coal has got to drop before it can meet American competition.

MR. BURY: How can we overcome the difference?

MR. MACDONALD (Cape Breton South): If we cannot get that we may as well adjourn.

THE WITNESS: I do not like to start in on the prices, Mr. Chairman.

THE CHAIRMAN: In this case you are merely asked—

THE WITNESS: The Besco company have the information.

MR. CANTLEY: I am not representing the Besco Company.

THE WITNESS: They have got prices to give.

MR. CANTLEY: We are not dealing with the Besco people just now, we are dealing with yours, and I would like to get an answer to my question, which I submit, is a reasonable one.

MR. HOWDEN: We can only get one price from the Besco people; we cannot get the cost of American coal.

MR. BURY: You can tell us the difference without telling us the prices.

THE CHAIRMAN: That is a reasonable demand.

MR. DOUGALL: Have you got it?

THE WITNESS: I have got it in my head; I have not got it here. It was not a matter of offering them a price. They quoted a price and they did not deviate from that. They did make a slight concession on the Montreal price for certain reasons in connection with switching, that was all; they would not make any concessions elsewhere.

MR. CANTLEY: We can get their prices from them when they appear here.

[Mr. Thomas Britt.]

The WITNESS: In 1924 I paid them \$4.50. I told them they could have \$4.50 this year and they would not take it.

Mr. CANTLEY: That is all right, but that is not answering my question.

By the Chairman:

Q. The question asked was the spread, at least the difference.—A. You know the price they asked this year, I offered them \$4.50; the difference is the spread.

Mr. MACDONALD (Cape Breton South): We do not know the price this year.

The WITNESS: You have had it. Mr. Cantley mentioned the Canadian National price, you mentioned it yourself a minute ago, did you not?

Mr. MACDONALD (Cape Breton South): No.

The WITNESS: Someone did.

The CHAIRMAN: Does that satisfy you?

Mr. CANTLEY: That does not answer my question. I am asking what the difference is between the price asked for Canadian coal and the price—

The CHAIRMAN: Put the question directly, Mr. Cantley.

By Mr. Cantley:

Q. What was the difference between the actual price asked you for Canadian coal and the price at which you could lay down American coal at Montreal? —A. They asked me for Dominion coal this year at Montreal, \$5.25, on which they afterwards made a slight concession on account of switching. I do not consider, in comparison with American coal to-day, that the Dominion coal that comes to Montreal is worth more than \$4.50.

Q. That is not answering my question.—A. I am telling you there what the difference is, \$5.25, and \$4.50.

Q. Is your answer that the difference between the prices were 75 cents a ton?—A. No, I do not, sir.

Q. I want to know what it is.

Mr. DOUGALL: In cash?

The WITNESS: In cash?

Mr. CANTLEY: I am not buying it for oatmeal, we are buying it for cash.

The WITNESS: I thought you were figuring on both price and quality.

Mr. CANTLEY: No, no, my question is perfectly clear. You were asked a certain price for Canadian coal; you can buy American coal at some other price; I want the difference between the two prices?

Mr. BURY: Leave out the question of quality altogether.

Mr. DOUGALL: At the pit-mouth?

Mr. CANTLEY: No, delivered at Montreal.

The WITNESS: Give me just a minute; I do not carry that kind of data in my head. American coal can be laid down in Montreal for \$5.40.

By Mr. Cantley:

Q. \$5.40?—A. Yes sir.

Q. And what price did they ask you for Canadian coal?—A. \$5.25.

By Mr. Bury:

Q. And the difference is constituted by value, difference in value?—A. Efficiency.

Q. Efficiency?—A. Yes, difference in value.

By Mr. Cantley:

Q. I am dealing now simply with the question of prices. This American coal cost you \$5.25?—A. \$5.40.

Q. And Canadian coal was offered at \$5.25; the Canadian coal was 15 cents a ton cheaper?—A. Yes sir.

Q. Leaving the question of value out?—A. Yes.

Mr. DOUGALL: Colonel, if you will excuse me; as a business organization we cannot be guided by price alone.

Mr. BURY: Oh no.

Mr. CANTLEY: Oh, I understand that.

Mr. DOUGALL: That is a matter of argument.

Mr. CANTLEY: It is not a matter of argument, sir.

By Mr. Flemming:

Q. Your coal requirements at Montreal—you purchase American coal on account of the quality, not on account of the price?—A. Efficiency of the coal.

Mr. DOUGALL: We must.

The WITNESS: Mind you, Mr. Flemming, you remember when I speak of American coal brought in competition with Dominion, I am picking upon American selected coal, not ordinary. You can get the riff raff of coal for mostly any price; I am talking now on efficient coal.

By Mr. Cantley:

Q. From what fields or districts?—A. West Virginia.

By Mr. Bury:

Q. Just half a second, Mr. Britt. For the comparison to be a fair one; you say you were speaking of American specially selected coal?—A. No sir.

Q. What words did you use?—A. What I meant was efficient American coal.

Mr. BURY: I would ask the reporter to read back what Mr. Britt said a moment ago.

The REPORTER: "When I speak of American coal bought in competition with Dominion I am picking upon American selected coal."

Mr. DOUGALL: That means selected mines, not the coal itself; selected mines.

Mr. BURY: That is a different matter.

By Mr. Howden:

Q. That brings up the question I have been trying to get out once or twice, and that is: Whether American coal is more desirable than our Canadian coal?—A. When you say American coal you are using a very broad term. There is American coal that it not as good as Dominion and there is a lot of American coal that is much better than Dominion.

Q. I mean to say, the best American coal is better than the best Canadian coal?—A. Yes, exactly.

Mr. DOUGALL: Speaking for the East.

By Mr. Armstrong:

Q. You have an examiner at the mines in the United States examining the coal before it is sent to you, shipped to you?—A. We examine the amount of coal shipped from that mine. If the mine does not ship exactly what the mine can produce he does not get paid for it. I do not consider any consumer has a right to go to the expense of examining a product that could be properly prepared by the operator.

[Mr. Thomas Britt.]

By the Chairman:

Q. But you have inspectors where?—A. Only one, I might tell you that; he picks the mines.

By Mr. Bury:

Q. That picks the mine?—A. Selects the mine, and if the mine can produce good coal, well and good; and if it is not, he won't take coal out of that mine, he won't touch that mine.

Mr. HOWDEN: You were going to volunteer a statement a moment ago.

Mr. DOUGALL: I want to make this quite clear. Canada is very large and there is a great differential in the value of some coals, bituminous coals, and you speak only of Nova Scotia coal. I am not going to differentiate now between the various coals in Canada any more than Mr. Britt does with the United States coals, because we have all kinds of varieties of bituminous coals in this country.

Mr. HOWDEN: I was wishing to make it simply this: the marketable products were obtained from the east and west of Canada.

Mr. BURY: He is only talking about the east.

Mr. DOUGALL: That is what I am trying to get in.

Mr. HOWDEN: I was asking this question in view of the merely voluntary statement as to the comparative value of the Canadian and the American coal of the best variety.

Mr. DOUGALL: That is why I raise a question, because we have extremely valuable bituminous coal in Canada and we have some that are not so good—I would prefer not to be asked what those coals are—but I think in justice to the coal operators and to the Dominion of Canada—of which I am an immigrant—that we should be fair to ourselves, at least.

Mr. BURY: Your answer was in reference to a comparison between the coal that you are getting from the selected American mines and the Canadian steam coal that is available to you in the east.

Mr. DOUGALL: In the east, that is right.

The WITNESS: There is also another feature about that. With the Dominion coal, or in the Maritime Provinces, coal is transported by water and would suffer in consequence by degradation on the extra handling; that has got to be considered also.

By Mr. Gershaw:

Q. To use American coal in Quebec, could you tell us the difference, having regard to the price only, between American coal and the Maritime coal, say, at any point, say, in Quebec or some point farther east, east of Montreal; he has told us the difference in Montreal.—A. Montreal is a fair centre.

Q. You use quite a lot of Maritime coal there?

The CHAIRMAN: Mr. Flemming is leaving in a few moments and would like to ask a few questions.

By Mr. Flemming:

Q. You gave us the figures of your use of American coal on the eastern lines as 1,600,000 tons. What proportion of that quantity would you be using in your lines say, west of Ottawa, or west of Brockville, between there and the head of the lakes; about what proportion?—A. Well, that would fairly divide, Mr. Flemming. It would be approximately divided fifty-fifty.

Q. Your consumption of American coal east of Ottawa and east, say, of Brockville, would be about 800,000 tons.—A. Between seven and eight hundred

[Mr. Thomas Britt.]

thousand tons. I think that is a bit heavy, Mr. Flemming, because they are taking only Ontario there. You say east of Ottawa; all told, about between five and six hundred thousand tons east of Ottawa; that is all east of Ottawa, sir.

Q. And now, you speak of using 65,000 tons of Canadian coal at West St. John.—A. West St. John and over the line up to but not including McAdam. The other part of the territory, the other part down there is using New Brunswick coal; that is about 50,000 tons more.

Q. That is Minto?—A. Yes, sir.

Q. Well now, we understand this: that your consumption of coal at all Quebec points, Quebec and between Quebec and Montreal, and west as far as Ottawa would be five or six hundred thousand tons?—A. Yes. You see, it is a little difficult for me to get the figures even approximate, for this reason; we operate a railroad by distance we do not go altogether by the provinces. For instance, we would call the line to Ottawa the Quebec district. The Quebec district would even go as far west as 120 miles from Ottawa and still be the Quebec district, as we know it.

Q. Have you in the past used eastern coal as far west as Ottawa?—A. Very occasionally, sir, very occasionally; when there was some special condition that arose, but it never had been profitable.

By the Chairman:

Q. When it was used it was in abnormal conditions.—A. Yes sir.

By Mr. Flemming:

Q. Have you given the Nova Scotia producers an opportunity to supply your railroad with their coal requirements at Montreal if they would meet American prices?—A. Yes; including efficiency, of course, not dollar for dollar.

Q. Having consideration to the efficiency?—A. Yes sir. We did it in 1924 when we took, I think, about 200,000 tons from them. There is another feature about that, while I am on the question here; we got away from the practice years ago, when we handled Dominion coal to a great extent. Dominion coal was St. Lawrence delivered just during the summer. We would store up in the summer, dump our winter requirements, and we were put to the expense of storing and relifting. Now we have got away from that, we simply hold an emergency stock there and do not touch it summer or winter. We do not do anymore dumping.

Q. Get weekly receipts for your weekly requirements?—A. Yes sir, and we thus avoid the expense of unloading and reloading and care. What I call care, is looking after fire prevention.

By Mr. Cantley:

Q. What do you figure that at per ton?—A. Lifting and relifting?

Q. Yes?—A. Oh, probably about 40c.

By Mr. Armstrong:

Q. What is your estimate of the relative value of Sydney coal and the class of American coal you are getting?—A. Between fifteen and twenty per cent.

By Mr. Howden:

Q. In favour of the American?—A. Between fifteen and twenty per cent for locomotive efficiency.

By Mr. Cantley:

Q. What do you base that on?—A. Our mechanical department information, the men that use the coal.

[Mr. Thomas Britt.]

Q. Who is that official?—A. I would not offhand say who the particular official is.

Q. Well, you have some official who deals with that?—A. It is not only by any particular man; our own engine men, any of them will tell you the very same story.

Q. Your superintendent of motor power will know?—A. I do not know whether he would know in detail.

Mr. BURY: Someone must know; your mechanical department would know.

Mr. CANTLEY: Well, I suppose the superintendent of motor power.

Mr. DOUGALL: Yes.

By Mr. Flemming:

Q. Now, Mr. Britt, in view of the consideration that caused you to use Western coal as far as Kenora, would you not be able to use New Brunswick or Nova Scotia coal in your Montreal district?—A. I think the conditions are somewhat different.

Q. You have told us that it was a matter of policy?—A. Yes.

Q. Which you are not responsible for?—A. As I understand the matter of policy, these mines are located on the Canadian Pacific and are relying on the Canadian Pacific for their output.

Mr. FLEMMING: And for that reason the compassionate argument would not apply to the Nova Scotia coal because they are not located on the line of the Canadian Pacific.

Mr. DOUGALL: I do not think that is correct.

Mr. BURY: In any case, leaving out the compassionate argument, would it not be a matter of good policy for you to keep mines that are right on your western lines, operating rather than have them all closed down and have to bring the coal over a greater distance?

Mr. DOUGALL: No sir, I would not say that. We are a commercial organization and we must do business on a business basis.

Mr. BURY: I am talking of a business basis. I am just wondering whether, on a business basis it would not be wiser in connection with the western bituminous supply, to keep your western fields operating rather than have them closed down.

Mr. DOUGALL: We can only buy a certain tonnage of coal, sir, and after that our resources are gone; we cannot buy coal that we cannot use.

By Mr. Bury:

Q. You do not see the point?

Mr. DOUGALL (Answering) I do.

By Mr. Cantley:

Q. Mr. Dougall, I understand you to say that for compassionate reasons you buy a certain amount of coal in the west?—A. Yes.

Q. Is there no compassion for the east?—A. Colonel, I do not think that is a fair question. We have these mines on our own lines, and naturally we do the best we can for them. The mines at Cape Breton are not on our line; we do the best we can even there, by water.

Q. I will admit that, but for instance?—A. We can haul coal and pay freight to the Canadian National.

Q. I assume the Cape Breton mines are not on your railway.—A. Yes.

Q. But I want to point this out, and I think it is a fair argument; we have 20,000 men?—A. Yes sir.

Q. Probably 100,000 people directly dependent upon the coal industry in the province of Nova Scotia. You are hauling down for the maintenance of these people practically all they eat and all they wear, and all they use, you are getting your proportion of railroad freight out of that.—A. (Witness shakes head.) I say this, positively; that the Canadian Pacific are at all times interested in the development of the Dominion of Canada.

Q. Well, I am not interested now in the western provinces.—A. I am speaking of Canada.

Q. We are bringing down, for instance, to Nova Scotia, over 600,000 barrels of flour and 400,000 barrels of other food; as long as you are getting your share of that transport, don't you think on compassionate grounds you should give us some little consideration?—A. Mr. Britt has told you, sir, that we are buying coal from your mines.

Q. Pardon me, I am referring now to the St. Lawrence district, in which you are not buying any coal although it is 15 cents a ton cheaper than the American coal you are buying.—A. It is not 15 cents a ton cheaper.

Q. 15 cents a ton cheaper; you say the efficiency over-reaches that.—A. Yes sir.

Q. And it has been stated that that difference of efficiency is as much as 15 or 20 per cent.—A. Yes.

Q. Which you would hardly expect us to agree with?—A. I do not ask you to agree to anything.

Mr. FLEMING: Mr. Chairman, Mr. Dougall has been good enough to say that he was willing to come again to this committee. I would like to ask him a number of questions in regard to the handling of the domestic coal from the west, something that we have not dealt with to any great extent.

The CHAIRMAN: One moment, Mr. Armstrong. Are we through with Mr. Britt? Mr. Dougall will be coming again but we would like to let Mr. Britt go.

By Mr. Howden:

Q. Now, for the final question; you are handling Maritime coal as far west as you possibly can.—A. Yes sir.

Witness retired.

The Committee adjourned until Friday, June 4, at 11 a.m.

HOUSE OF COMMONS,
ROOM 436,

JUNE 4, 1926.

The Special Committee appointed to investigate our present sources of supply of anthracite and bituminous coal, the dependability of such sources and other matters in relation thereto, met at 11.00 a.m., the Chairman, Mr. Lapierre, presiding.

Mr. ROY M. WOLVIN, called and sworn.

By the Chairman:

Q. Mr. Wolvin, you are the President of the British Empire Steel Corporation?—A. Yes sir.

Q. You are familiar with the production of coke by your company?—A. Yes, coke or coal, both.

Q. Both?—A. Yes sir.

[Mr. Roy M. Wolvin.]

Q. I will ask Mr. Cantley to go on unless you have prepared a statement.—A. Well, I did not prepare a statement except some notes I made a few minutes ago on general lines.

Q. Perhaps you had better go on with your statement first, then the members may be able to cross-question.—A. First, Mr. Chairman, I would like to supplement Mr. Gray's letter, by stating that Mr. Gray has been ill for several months and it is only last week that he was able to get to the office for a short time, for two or three days. I have been anxious that he should not be required to come here. He is anxious to come but I think it would be better if he did not, as he has been quite ill. Mr. Chairman, I assume what you would like information as to the available coal from Nova Scotia areas, its qualities, its transportation, and the possibilities of increasing the market. The coal available in Nova Scotia will take care of the requirements of the territory it might serve for hundreds of years. As to the exact amount of it I do not think it is necessary for me to give quantities. The British Empire Steel Corporation, through its subsidiaries, is mining from about 4,500,000 tons per year to 5,000,000 tons, that is a gross ton of 2,240 pounds. Our present operating mines have a capacity from 7,500,000 tons to 8,000,000 tons, if they were worked continuously during the year. The distribution of our output for the years 1923 and 1924 may be of interest. The Maritime Provinces and Newfoundland used 39% of our output; the province of Quebec 38%; the British Empire Steel Corporation, in its various operations use 19%; and the export and bunker trade use 4%. The market limits for our coal are fairly well defined by its quality, its cost of production, its cost of transportation and the government policy. As to quality, it is a high grade bituminous coal, a high class coking coal, rich in by-products. It has some drawbacks in being a little higher in sulphur than other coals; it is friable and breaks up in transportation. These are handicaps in price for certain purposes. I think that the future use of coal tends to better conditions for Nova Scotia coal for steam purposes. There is a gradual increase in the consumption of powdered fuel and I think that steam in power plants very soon will be all produced from powdered fuel, which does away with the loss and degradation of the coal through moving. The coke oven, if established through the country for the production of domestic fuel would require much slack coal or run of mine from the Nova Scotia mines which would be satisfactory in the condition in which it would arrive. As to the cost of production of our coal, it is high compared with the coal produced in the United States and some more favourably situated operations. The largest portion of our production is submarine, and each year we are farther out to sea. We have not the same opportunities to put down another shaft, after we have gone so far, but we must continue on the same shaft and work on two sides of it instead of possibly four directions, as you might in the United States. The farther we go seawards, the long pipe lines we must carry for compressed air and the greater expense of ventilation, the cost of keeping up long slopes; these have all to be added to our cost as we have gone on. The cost of our coal has been materially reduced. Since 1924 a small portion of the reduction has come in wage rates, very small, I would say. We have reduced the cost of coal from two or three dollars, compared to every dollar that has come by way of the wage rate, through better management and better facilities and improvements in the property. As we go farther seaward we find that the conditions are going to help us in the cost of coal. It does not come about in one or two years, it may be five years in some mines, ten years in others. At the present time we are only extracting about 40% of the coal; we have to leave the balance in pillars to keep up the roofs. When we get sufficiently far where we have sufficient cover between the bottom of the sea and the mining operations, we will be able to extract 100% of the coal. That is going to offset, and it has offset in some of our mines, some

[Mr. Roy M. Wolvin.]

of the increased cost due to the longer haul and maintenance, and long pipe lines, and so forth, so that there is a possibility of maintaining a uniform cost, I think, as we go farther to sea. We will get benefits as well as increased cost. As to Government policy, we have a duty of 50 cents on bituminous coal now, both run of mine and slack. Anthracite screenings are admitted free of duty to compete with our slack coal. Anthracite screenings are moved on lower freight rates in the United States than anthracite fuel for long distances. The railroads to some extent are interested in the coal properties and rather than sell at a very low price at the mine they prefer to sell the freight on it and bring it into Canada. It should not come in free. In addition to the anthracite, bunker coal in our harbors is permitted the use of ships without any duty whatever, which is all wrong in my judgment. It removes the outlet and the increased development of properties. That is the policy as it exists; I do not know whether you want any suggestions from me as to policy. Generally speaking, I think the duty on coal should be increased. Some years ago the government enacted legislation providing for what was termed "subvention on transportation." They paid the railroads on Nova Scotia coal, when moved from St. Lawrence port, one-fifth cent per ton mile, not exceeding 50 cents on the ton. Unfortunately the legislation came out in the supplementary estimates, and was not acted upon by the Minister, so it was available until, I think, the first few days of September or possibly the last few days of August. Contracts had been made and the record, I think, as given to the House, showed something like \$11,000 or \$12,000 was all that was expended. The difficulty there, I believe, was that slack coal had no opportunity to take advantage of it and, to my mind, it is not very useful unless it be enacted for a term of years so that you could get customers and hold them, get them accustomed to the uses of our coal. If a subvention were made available it should be available for transportation by water as well as for transportation by rail. If available by water it would move considerable Canadian coal to Ontario ports, but with the necessity, as I say, of being available for a term of years, to allow for the investment in unloading facilities necessary to properly handle that business.

Respecting coke ovens for Nova Scotia coal, they would provide an even annual outlet and would not entail additional burdens on the industrial conditions of the country. This is not so of coal to make coke for domestic purposes, because every year we have the cold weather always with us. It would do a great deal to keep up the mines and increase the industry, and the increased production would reduce the cost of all coal. It is possible that something might be done in the movement of coal through Montreal to avoid the payment of wharfage charges to the Harbour Board. Our expense at the harbour in Montreal for doing coal business now is probably four or five times what it was before the war, and with coke and coal moving through, I think that the Montreal Harbour Board would be well advised to do it without charge.

By the Chairman:

Q. That refers to the seven cents harbour dues?—A. Yes, and the ever increasing cost of handling our coal. When we came into the harbour there was very little coal going there. The Dominion Coal Company took a low-level dock property; it could not buy property, as it ordinarily would, because it was owned by the Government, and the rentals were low. The property has never been further improved, there has been no additional expense put on it, but the rental has increased very fast, so that now it is from seven and a half to ten cents a square foot, which is a very heavy tax.

Q. Covering how long a period?—A. We have been there since 1897 or 1898, along there. We would have had a valuable property had we been permitted to own wharfage. If you are trying to take coal through the port it is possible that a charge might not be made at all on the through traffic.

[Mr. Roy M. Wolvin.]

As to the coke ovens, the information on that is rather technical, and I think probably you have had it before. I have made a study of it to some extent, more in regard to its outlets than actual operation, but I would like to say that the Nova Scotia coal is satisfactory and makes a very good coke. I have used it for years, and my wife would not let me have anything else in the house. It might be improved with a small mixture of American coal, particularly in Ontario where the reduced American prices come in.

As to transportation, I think we have been operating at about as low a cost from Cape Breton to Montreal and the St. Lawrence river ports as could be. We operate almost exclusively with boats of from 7,000 to 11,000 tons capacity. These boats are required to be British ships, which I agree is the proper thing. The cost of transportation is a little lower now than it ordinarily would be, and if it is feasible I think we ought to get a better return on the investment. The 11,000-ton boat is the best we can use, and it is only possible where we have large amounts of coal out of the cargo going to the railroads and to people that can take it away. Otherwise, we must use smaller sized boats, which increases the cost. At the present time, giving proper consideration to the investment, and using 10,000 and 11,000 ton boats, I would say the cost of transportation would be about 85 cents a ton, giving the investment in ships a reasonable return.

Q. At Montreal?—A. Transfer of coal from boat to boat in Montreal, exclusive of wharfage, and providing reasonably large volume would be about twenty-five cents. When you undertake to move it to Toronto from Montreal, or to Ontario, where there are not proper discharge facilities, the cost will be heavy; and as you go west you must meet the ever-reducing competitive price of American coal.

In the event of construction of coke ovens at Toronto that would use a large amount of coal, and power plants in connection with the hydro that have been discussed, where they could be on the waterfront there, and have a fairly rapid discharge docks. All that class of business could be carried on very cheaply from Montreal to Toronto. We have a hundred or two hundred or more ships moving grain from Port Colborne to Montreal. That is the proper way to carry coal, to carry it cheaply. Those boats would never have sufficient coal moving westward to make the rate on coal the actual rate. The freight rate on a returning vessel is always based upon the time consumed, practically, and not so much on the actual cost of transportation. In my judgment, if we had proper docks at Montreal to transfer the coal we could provide for the investment and move that coal for forty cents a ton to Toronto, and make proper returns on the investment. A boat could not be engaged on that trade continually; it must go to Port Colborne for grain, and it would have to have a discharge method in Toronto that would take the cargo out in about six hours; that is the despatch for that kind of a boat.

Q. There is no equipment in Toronto of that kind at present?—A. No, and there is nothing to warrant our engaging in such investment, because the tariffs are not secure, they are not high enough for that. We must have a subvention high enough to warrant the investment, or the coke ovens able to use the Canadian coal, or sixty per cent of Canadian coal, something of that kind that would give a certain business that we could provide for.

If coke ovens were developed, in providing a plant at Montreal it would be very easy to provide a place to load these lake vessels in two hours, anyway, and that coal could be held in bins as it comes from the big boats, and put on the vessel, or put on board of barges. The cost of transfer, investment, etc., at Montreal is going to be about \$1.40 a net ton to get to Toronto, but that covers returns on investments.

Q. That is, from Sydney to Toronto?—A. Yes. Now, in the movement of coal to Toronto the extra handling at Montreal breaks our coal up to some

extent, but coke ovens are not concerned in that, and power plants ordinarily would not be; so we are not concerned in that, and we could have quite an increase in business. With a duty of a dollar a ton, or subvention of 50 cents a ton—maximum 50 cents—and coke ovens, there is in view a million and a half additional business for Nova Scotia mines, or even make a basis on which a million and a half more tons could be sold in my judgment. The cost of doing that business, even with a tariff and subvention is based on volume. We must have conditions that will give us the volume, and the right to invest the money in the facilities, unless they are provided by somebody else.

The CHAIRMAN: Any questions, Mr. Cantley?

Mr. CANTLEY: I would rather that my friend would handle the matter.

By Mr. MacDonald:

Q. There are two things we are interested in; first, what Mr. Wolvin says as to additional markets that are available; you say that you are producing now from four and a half millions to five millions, and your capacity is seven or eight millions; that is, about two thirds of your capacity; now, where is the available market for that extra tonnage?—A. The large proportion of that extra tonnage is coal that would be mined in the winter time. Unfortunately, in this country almost all business is seasonal. Our transportation by water is not available in the winter time, and we must have outlets for coal that will permit the banking of the coal, in order to reach the capacity that I gave for existing mines. Coke ovens, and the increased use of slack or powdered fuel, helps us on that. One of the difficulties in banking coal is the degradation of coal during winter. The degradation is not nearly as great as people think it is, but customers do not want to buy that coal, but it can be used and shipped in the summer season for certain purposes, and that will help the increased output. The other increase of winter production to a large extent is to go into steel. Steel is only coal, as far as that goes, and it would help production if there could be more steel produced in Nova Scotia, and the winter production is the thing that will reduce our costs. If we could add another two millions tons on the winter production it would give the men continuous employment, and it would enable them if necessary, to take less wages. What they need is continual income.

By the Chairman:

Q. That would stabilize your labour situation?—A. Yes; it would help in that. If a man could work all the year round, a man could take a lower wage and his expenses would be cheaper. There is always expense in banking coal, and there is more or less degradation of it, so that you cannot sell it at as high a price. It would do more to keep the people busy than anything else, and there is no success in any industry unless you can get a continuous operation. That is the nearest way to success possible. That answers you as to where that production is. The markets for it, of course, will have to be up the St. Lawrence. We find it very difficult to meet competition in export markets. During the winter we have the increased cost, as we have to use the port of Louisburg instead of Sydney for two or three months. Transportation charges are very much heavier, and we have not as good facilities for loading and that increases our cost a little bit. There does not seem to be an outlet for export that we can accomplish anything with. I hope we will be able to increase that to some extent, and in the winter time we feel almost like dumping coal at less than cost in order to get production. That all affects us in the year's cost to some extent.

By Mr. MacDonald:

Q. The fluctuating employment is more or less an operating matter in the cost of carrying that coal over to the following summer?—A. No, the cost may

[Mr. Roy M. Wolvin.]

be figured out, and the cost of degradation can be figured out, but the difficulty is to get people to use it. There are a great many opposed to it. What I am trying to arrive at is that the coke ovens could use it without any question, because the fact that it is friable, and disintegrates to some extent, would make no difference to them, but it would be a big help in the winter situation.

Q. If this policy of establishing coke ovens is carried out will it go far towards solving the problem of winter unemployment?—A. Yes, if there was some legislation enacted that would actually produce coke ovens. It will not be of any value if it is only on the books, if it is not enough incentive to capitalists to invest in that enterprise. If something is done to make it sufficiently attractive so that capitalists would want to go into the production of domestic coke, it is one of the most important things that can happen to the Nova Scotia mines.

Q. Can you give us an idea of what you think the inducement should be placed in a government measure that would induce capitalists to go into these coking plants? I understand that now it is three or three and a half per cent, extending over a period of years; is that sufficient?—A. I would be very much pleased with any legislation that the Government sees fit to enact. I would not want to say definitely what that should be, but I would like to see them doing something. I would very much dislike to say what I thought would be necessary in the way of legislation, because it might be helpful in one locality and would not be useful nationally. What I might think is really necessary to produce coke ovens might be considered more than the people would want to do, and they might simply drop it and do nothing about it, so I hesitate.

Q. If you have any opinion we would like to have your opinion?—A. I think it will take some time to introduce the use of coke to the people. They have had anthracite coal, and no matter what you tell them about coke they do not want to try it. It would take, I would think, three or four or five years before you could displace thirty or forty per cent of the use of anthracite coal. The price might be lowered, so that you could have a continuous working of the industry, and that would be of considerable assistance during that period.

By the Chairman:

Q. Do they purchase coke at a lower figure than anthracite?—A. At present in Montreal, \$2 to \$4 less per ton; there are a great many people who need education. There is no question that they are getting more value in coke than in anthracite coal, but it takes people quite a little while to see the advantages of it.

Q. I thought they had an experience, last year, when the strike was on, and I supposed the people then would learn about coke.—A. I did hear they were considering a subsidy basis of some kind on the construction of coking plants.

Q. Was that based on the old idea of the dry dock scheme—so much to guarantee interest on the bonds for a certain number of years?—A. Well, the coking oven development must be brought about from a national point of view, so as to make the country self-contained as to its fuel supply. In other words there will have to be a sacrifice made for a while, or they will not be using Canadian coal. We need to develop it from two stand-points, first, to supply the people with coke, that have been purchasing coal, and legislation so as to provide for the movement into Ontario of our coal so that the people will use it instead of American coal, and the people will know that there is coal in Nova Scotia, and that they can be kept warm, if necessary, with hundred per cent Nova Scotia coal. In Montreal there is no reason why they should use any American coal at all. It may be advisable to improve the coke a little bit by using some mixture; that is a matter of good practice, but the investments are heavy and I do not think any one will go into the coke-oven business unless they have a definite contract for a term of years for a subsidy or a bounty. Personally, I do not like the bounty idea. I like the idea of a subsidy,

[Mr. Roy M. Wolvin.]

so that when that plant is built it is built definitely for the purpose of using Canadian coal, and it can fulfill the definite condition for which it was built. I think it should be for twenty-five or thirty years at least that there should be assistance, and I believe you have got to give them probably four and a half percent on the cost.

By Mr. Armstrong:

Q. Could your people produce coke profitably, that is, could they use the gas for other purposes?—A. I have in mind that this coke will be produced in the city of Montreal, in the city of Toronto, and the city of Quebec.

By Mr. Bury:

Q. Evidence was given before on this point, to the effect that the coking plants should be at the points of distribution, not at the mines.—A. You are correct. The value of the gas is the most important thing in the production of the coke. If we were to undertake to produce large quantities of coke in Cape Breton at the mines, we would lose all the value of that gas.

By Mr. Armstrong:

Q. That is what I meant by asking you that question, because if you could economically produce the coke in the operation, and use the gas and the by-products such as come from coke, that coke could be shipped to Toronto in competition with the coke that is manufactured from American coal, to better advantage, could it not?—A. If we could use all the gas of course we could, but at the present time the coke we are producing in Nova Scotia, we use the gas in the steel plants, and we allow the coke ovens for that gas, in our inter-department accounting—which is no way to put a value on gas; the only way is to figure that it is worth so much as against the coal itself—we only allow eight cents a thousand feet for the gas. In the cities they will reckon it at thirty to forty cents. The gas and other by-products will be worth a little more money in Montreal or Toronto than in Sydney.

By the Chairman:

Q. That applies to all by-products?—A. Yes; if people use the sulphate of ammonia it increases the value of that by-product, but they have not been sufficiently educated to that. We sell a large quantity of our sulphate in the West Indies, and it gives us as good a return as in Montreal.

By Mr. Armstrong:

Q. You say that to carry your coal to Toronto you would have to add the increased cost of carrying it from your mines to Montreal, which is forty cents?—A. Forty cents per net ton.

Q. Would any of your boats be available for that?—A. We have no ships that would be available from Montreal to Toronto, but there are two or three hundred of them, I suppose, and they are all very fine ships; they have all been built in the last two or three years, and are well adapted for that business, and the basis of the freight rate would be the number of hours engaged in loading at Montreal and the time taken in discharging and in deviation because the boats are going back to Port Colborne anyway.

Q. Could these boats economically load up and carry the coal through to Toronto?—A. Economically the thing would be for them to load at the port of Montreal and be transferred there.

Q. Off the larger ship?—A. Yes. If there were much of that business we could develop larger ships, say 11,000 tons ships, and we could probably get up to 13,000 or 14,000 tons ships, which would help in the cost of the carriage quite

[Mr. Roy M. Wolvin.]

a little, but we would have to have facilities to load the smaller ships while they would be bunkering, and they would probably be loaded in two or three hours.

Q. What have you in the way of suggestions for carrying coal from your mines to Toronto?—A. My idea is the largest ship, and trans-ship at Montreal.

By Mr. Bury:

Q. Can you trans-ship directly from the large ship on to the smaller ships or barges?—A. That would not be the economical way. You can take a 12,000 ton ship and discharge her in ten hours, and part of that coal might go to railway cars, part of the coal might go on the dock for coking ovens in Montreal, and part of it would go into bins on the face of the dock, or into bins on the dock, with the conveyers under it, and if it was in bins on the face of the dock you would simply open a spout and run it into the boat, and you could load her in no time; it would just run into it.

Q. That loading from the Montreal dock would have to involve degrading to some extent on bituminous coal?—A. Yes.

Q. But not enough, you think, to affect the coking problems?—A. No, because it will be crushed before it is coked, anyway.

Q. What would be the cost of bringing coal from your mines to Montreal, putting it in bins, and then trans-shipping it from bins into vessels?—A. I mentioned the costs at \$1.40 if no wharfage in Montreal. That would be on board Toronto, alongside the dock free discharge.

Q. Would that pay the handling charges at Montreal?—A. Yes, the handling charges would not be great. The investment charges would be as much as the handling charges if you had the place properly equipped.

Q. Is there a properly equipped dock there now?—A. Not now.

By Mr. Armstrong:

Q. What does it cost to unload from your cars to boats in Sydney?—A. About 17 cents a ton. Our dock expenses, what we call fobbing the coal, putting it on board the boat, that includes what trimming is necessary and dumping the cars. Running it into the boat is about 17 cents a ton, that includes running and upkeep of dock, but it includes no returns on investment in that dock.

By Mr. Howden:

Q. Would that not involve a good deal of expense in Montreal?—A. If a plant were erected at Montreal to take care of the coal left there, and the part going on to Toronto, the expense would be very small. You would have to expend money to provide for the discharge of the ship in ten hours, but the expense to provide for putting it on the other vessel would not be great, and the equipment for the discharge in Toronto so as to average six hours for discharge would not be heavy.

By Mr. Bury:

Q. Can you give us an approximate figure of the cost for the Montreal equipment, and then the Toronto equipment?—A. The discharging facilities at Toronto would probably cost \$250,000, for the dock in Toronto, in addition to the site and the building of the dock itself. I am just figuring that approximately.

Q. Have you finished all you can tell us on that? Can you fix anything about Montreal?—A. Well, in Montreal the amount of storage necessary would have a great deal to do with the cost of the dock itself. Facilities to discharge a 12,000-ton boat in ten hours, I suppose \$500,000 of equipment, without including the cost of property or dock.

[Mr. Roy M. Wolvin.]

Q. In both those cases, in Toronto and Montreal?—A. I would say \$800,000, with bins to take care of the transfer. That is only an approximate answer.

Q. You can only speak approximately?—A. Yes, because you have to know what the site is before you know what is required to put it into condition.

By Mr. Armstrong:

Q. What legislation would be necessary to induce your company and other companies in the east to carry coal through to Toronto and Hamilton?—A. As we go to Toronto and Hamilton we meet the continuously reduced price of American coal.

By the Chairman:

Q. That is, the price of American coal is actually reducing?—A. Yes, and their freight rates are not as heavy, and their cost of production is lower. Their cost of production at the mines is probably the same, but it does not cost as much for freight to Toronto as it does to Montreal.

Q. Is there a reduced cost in producing coal in Pennsylvania and West Virginia in late years?—A. Yes. They are producing coal under ideal conditions.

Q. So that the cost of producing coal in West Virginia has decreased in the last five years?—A. Yes.

By Mr. Armstrong:

Q. Do you mean a lower wage rate than you are paying?—A. There is not a great difference in the wage rate. We have always had a lower wage rate than in the United States, but the conditions of our miners have always been better than those in the United States. We bank large quantities of coal because we cannot ship coal to Montreal in the winter time, and through those operations we have been able to give more days work in a year. Except for more disturbing conditions, we have had in the last three or four years, our men have had more actual annual income than the United States miner with fifty per cent or more higher wages.

By the Chairman:

Q. The advantage of the American mining companies is in the physical conditions?—A. The physical conditions of their property; the wage rate in our mines at present is about twelve per cent higher than the wage rates that were in our mines in 1917 and the West Virginia mines have in their mines to-day the same rates as they had in 1917. I give you that just to show you that our wage rates are higher if based on the same year and the same competitive conditions.

By Mr. Armstrong:

Q. What is the cost of the increased coal at the mine compared with Virginia?—A. In Virginia you will see the mine opens out straight on a tunnel in the side of a hill, and men go around with open lamps, and electric locomotives run in on an open wire. We cannot do anything of that kind. Our mines are gaseous. We cannot use electricity in many of them at all. We have to pipe compressed air long distances. We have a tremendous amount of air to handle in those mines, and our production has been forty per cent of the coal that we are working in.

By the Chairman:

Q. Can you give us approximately the production per ton per man in your mine and the mines of West Virginia?—A. I just happen to have with me one of our bulletins with that information. There was an article in one of the

papers recently criticising the production of Nova Scotia in the mining industry; and our bulletin—which I hope you all read—published an article on the output of coal per man. This article speaks of the improvements we have made in our mining, and then goes on: (Reads)

“These improvements have resulted in a steady increase in output for underground producer, last year's figures being 6.85 tons per shift, or an increase of 14 per cent, as compared to 1919, and 9 per cent above the 1922 figure. It may be interesting to note that in 1914 prior to the war, the output per shift per underground producer was 6.4 tons. To-day this output is increased by 7 per cent in spite of the fact that an eight-hour shift is now worked as compared to a ten-hour shift in 1914. In other words, the miner has been given such increased facilities that he can now produce more in an eight-hour shift than he previously could in a ten-hour shift.”

I might also add, in connection with that, that while I say our wage rates are 12 per cent higher than before, that is an eight-hour shift compared with a ten-hour shift. The article proceeds. (Reads):

“The average output per shift for all employees of the Dominion Coal Company has been increased from 2.06 tons in 1919 to 2.53 tons last year, an increase of 20 per cent. In the case of other constituent companies of the Corporation, the increase in production per man per shift is slightly more pronounced.”

It comes down to that amount owing to the large number of non-productive labour that we have in our mines. We are probably running to-day about fifty-six per cent non-producers and forty-four per cent producers, while in the States they are probably running sixty-five per cent, and thirty-five per cent non-producers; that is, laying lines of transportation that take our coal as we get out, which require many additional men that are not on the face producing coal. Our production per man is about half of what it is in the States, but it is also twice what it is in the mines of Great Britain. We are much better than Great Britain, and Great Britain is better than Belgium; it all depends on the physical condition of the property, and I believe our miners are doing pretty good work, though we hope for better work.

By Mr. Armstrong:

Q. Have you any better fields where coal can be produced cheaper?—A. Each time we open a mine we are governed by the quality of the coal and the cheapness of it. We must open as cheaply as we can, but we must open the quality of coal that will be acceptable to our customers. We have a quantity of coal that may not be acceptable to our customers at the present time, but it will be acceptable as time goes on, with improvements in practice.

Q. What proportion of the coal area do you control?—A. Well, I hardly can answer that. We control a very large portion of the good coal in eastern Canada, I think. For instance, a great many mines could not operate in Cape Breton and ship via St. Lawrence. Suppose there were five operators instead of ourselves in the Glace Bay district, the Government would then be concerned, probably, with trying to standardize the quality of coal and make the coal saleable by carload lots. The shipper would have to buy from all to make up a boat load and that could not be done economically except by government agents grading and mixing all the coal.

By the Chairman:

Q. What proportion of coal produced in the Maritime Provinces is handled by your corporation?—A. Well, I do not think I had better answer that because

[Mr. Roy M. Wolvin.]

my mind is not clear on it. I think it runs about 82 per cent, possibly, but the records of Nova Scotia should show that. I may be a little wrong. Is that fairly right, Colonel; you probably know better than I do?

By Mr. Howden:

Q. From your remarks, I assume that there are several deductions I might make. First of all, there is no immediate prospect of your materially lowering the cost of production at your mines.—A. We have been continuously reducing the cost of production since 1920, it is very much lower to-day than it was then. We cannot make the extent of reduction that we have made; we have made so many economies, coming from the inflated period after the war. We are going to make some reductions this year as compared with what we might have done last year. We had a strike for five months last year. We will have a reduced cost next year, we expect.

Q. That, of course, will affect the cost of coal?—A. Yes. We are making changes in our mining system in several mines, but when you change a system of mining it takes three, or four, or five years before you have got up your development work. It is just like opening up a mine, it is three years before you are getting any coal.

Q. It would not be feasible to make coke at Sydney for distribution in Toronto?—A. I would not say it is not feasible, we could do it. I believe it would be more economical, and of greater advantage to the country, if the coke was produced where the gas and by-products would be of greater value.

By Mr. Cantley:

Q. This coking system ought to be located in the large centres of population which will take care of the gas.—A. Yes.

By Mr. Armstrong:

Q. My object in asking that question was simply this: that the coke in itself is worth so much more money and the handling charges might not be very much greater than the handling of the coal and it can be used to advantage in competition with the anthracite from Pennsylvania.—A. We will ship up the St. Lawrence this year 50,000 tons of coke.

By the Chairman:

Q. How far west is that coke distributed?—A. Some of it will come to Ottawa; the largest portion will be in Montreal, Three Rivers and Quebec. Then we have our regular maritime distribution.

Mr. BURY: I think Mr. Howden was asking a series of questions.

By Mr. Howden:

Q. I was just going to suggest that it is not feasible to make coke, waste your gas, and then try to compete in the Ontario markets against anthracite coal; it is not feasible economically.—A. We are selling British Empire coke in Montreal, delivered in the peoples' bins, at about \$2 to \$4 less than anthracite. We are doing that partly to try to develop the business. I would not say it is terribly profitable but that is the case, we are trying to get the coke in. That could be shipped on to Toronto and could reasonably compete with anthracite. At the same time Hamilton could put coke into Toronto, also Detroit and Buffalo can put coke into Toronto on a better basis than we can from Nova Scotia. There is no duty on coke and with the transportation I do not believe that Toronto would be a natural territory for us without some tariff.

Q. At the present time they can beat you?—A. Yes.

Q. With a little bit of assistance you could compete?—A. I think so.

[Mr. Roy M. Wolvin.]

By Mr. Bury:

Q. In Toronto?—A. Yes sir.

By Mr. Howden:

Q. I just had one other point. I think you stated that the cost of transfer, we will say from the Sydney cars to Toronto, can be materially lessened by improving the docks at Montreal?—A. Yes sir. Now the transporting of coke would be higher than the transportation of coal. You could not transport coke from Sydney to Toronto for any such rate as \$1.40, that is for the class of coal that can be handled with big grabs and is not going to be damaged. With coke you would have to handle it with greater care, if you want it in proper condition for use; it breaks up, while you would get about 65 per cent of the weight of coke in the same space, so that your boat does not carry as much.

By Mr. Garland:

Q. Just on that point. Why is it that coke would require a more expensive rate?—A. If you load a railway car with coke, the same car would not hold the same tonnage, the same weight; the same thing applies to boats. A 10,000-ton boat would carry maybe 6,500 or 7,000 tons of coke below deck.

Q. Would that not be more applicable to the poorer grades of coke, alleged heating cokes?—A. Our coke, I think, is the heaviest coke produced on this continent.

By Mr. Howden:

Q. The point is, there is a saving to be made by improved transfer conditions?—A. Yes sir. With some duty on coke Toronto could be reached from Nova Scotia.

By the Chairman:

Q. How much duty would you suggest, Mr. Wolvin, to meet those conditions?—A. Well, the duty on the coal that goes into coke is 50 cents a ton, and we are getting 68 per cent production now from our coal. The duty on that basis, of just the coal that is involved, would be about 73 cents a ton; that is, involving duty on the coal itself. I do not think that would be enough duty on coke, I think the duty on coke should be \$1.50, anyway.

By Mr. Howden:

Q. That would bring the price of your coke up to about what in Toronto?—A. If we had a duty of \$1.50 on coke we could put coke in from Sydney, Cape Breton, into Toronto to compete with American anthracite.

By Mr. Armstrong:

Q. If you had assistance along the lines proposed, is there any question about the dependability of the supply?—A. That is seasonable, seasonable operations, you see, due to the river navigation. It makes all these things difficult; it means stocking of the coke, for instance, if we are to take care of Toronto in the winter time. We have either to bring that coke up and stock it in great quantities in Toronto, or at Montreal and ship it by rail, or stock it at Sydney and ship it all the way by rail, which brings you right back to the fact that the proper place to produce is at the centre that coke is being used, or as near as possible thereto.

By the Chairman:

Q. The rates you have quoted would not apply to rail transportation during the winter months, by rail from Montreal to Toronto?—A. No. That coal would be taken up and piled on the dock in Toronto in the summer time and

[Mr. Roy M. Wolvin.]

used during the winter. The only way we can provide for coke operations in Toronto is to move the entire amount of our coal during the summer months and then use it during the winter.

By Mr. Bury:

Q. And bank it?—A. Yes.

Q. Would it stand banking?—A. We had 125,000 tons, I think, on our docks in Montreal at the close of navigation last year. We had the docks in Three Rivers and the docks in Quebec filled and we had no difficulty whatever with it. We had had difficulty, as all people do who bank coal, we had fires once in a while.

Q. That is what I was going to get at. Would the high sulphur content of your coals give you much trouble in the banking?—A. I think our coal banks as well as or better than some of these other coals that people do not think they have any trouble with. We had some difficulty in the six years I have been connected with this business. One winter in Montreal we piled our coal pretty high and banked in the hottest part of the season, which has something to do with the conditions. We have banked as much as 450,000 tons in one pile at Glace Bay and never had any difficulty with it. The Canada Cement Company takes its entire requirements in the spring and summer and use it in the winter in Montreal, and have had no difficulty. There is some risk, but there is risk with all coal that is banked.

Q. Is there severe degradation by banking?—A. The degradation is usually in the disintegration of the coal.

Q. And that is not material for coking purposes, as you say?—A. Degradation of the coal from banking is not material for the purposes of domestic coke.

Q. Would you mind telling me the cost at the pit-mouth at Besco?—A. I prefer not to go into actual costs. Costs are so different, you know; one person puts everything in. Our costs at Besco differ; one field as compared with the other.

Q. You would not even give an average cost at the pit-mouth?—A. I might say that the average figure—I have not made it up but it will be very close to it—I do not want to take one field and penalize another, that is what is in my mind. I will give you an average cost. The average cost would be about \$3.50 to \$3.60 at the pit-mouth of the mines of the corporation.

Q. And what price could that coal be laid down, provided you got a large volume, in Montreal, and then in Toronto? We will take Montreal, leave Toronto out.—A. What could that be laid down in Montreal for?

Q. Yes.—A. Well, there is railway haul in addition to that, there is dock expense and transportation.

Q. I am supposing there is a coking plant in Montreal sufficient to handle a large volume of coal transportation.—A. If I were negotiating with them I would probably put it about \$5 a ton.

Q. At Montreal?—A. Yes. It would depend on the negotiations, as to just where we would arrive. You can use that as an approximate price.

Q. Would that be at the coking plant?—A. Yes, alongside the coking plant. That is approximate.

By Mr. Armstrong:

Q. There is no question about the supply being adequate for the districts to which you would send coal; there is no question about the coal supply being sufficient.—A. There is no question of the coal supply. As soon as the present available supply is used there are plenty of places to open mines. Mines will have to be continuously opened as these other mines go out of existence.

[Mr. Roy M. Wolvin.]

By Mr. Bury:

Q. I want to ask about the figures. You gave as the output, 2.06, and then you gave another figure as the last figure of output, 2.5 something, I think.

Mr. McLEAN (Melfort): 2.53.

By Mr. Bury:

Q. Is that the output per man per hour?—A. No, that is—

By Mr. Cantley:

Q. Per day for all men employed?—A. All men employed per day.

Mr. BURY: That is the average per man per day?

Mr. CANTLEY: Including all labour, surface and everything else.

Mr. McLEAN (Melfort): Carpenters and well-men and everything else.

Mr. BURY: In other words, that is the total output of the mine divided by the number of men working, whether working as miners or working anywhere.

Mr. CANTLEY: Exactly.

The WITNESS: I said \$3.50 to \$3.60, average cost at pit-mouth. I would like to make that \$3.70 to \$3.75. I made an error in my division.

The CHAIRMAN: That corresponds with the figures we got.

The WITNESS: \$3.70 to \$3.75. I would like to say in connection with that, that I am giving you the average cost of all mines. There are districts that could not produce coal at that price; that is the average of all production.

By Mr. Bury:

Q. But if you were making a contract to supply coal you would take all your mines and you would strike an average price.—A. Yes.

By Mr. McLean (Melfort):

Q. And you would deliver that at \$5 on the docks at Montreal?—A. Alongside the docks.

Mr. BURY: Alongside the coking plant.

The WITNESS: That is alongside there.

By Mr. McLean (Melfort):

Q. Not unloaded?—A. Not unloaded. It is possible they would do a little better than that.

By Mr. Howden:

Q. If you were summing up briefly and offering advice to this committee as to means by which we can extend the use of maritime coal into central Canada, you would suggest first of all the establishing of coking plants throughout central Canada, improvement in the handling arrangements at the docks at Montreal, and a duty on American coke and coal; that is about the size of it, is it not?—A. If you brought in the assistance that would produce oven facilities it would naturally take care of this. In other words, there is no one going to build ovens in Toronto until they have made arrangements for their coal supply. What I am getting at is: the price they would pay would be for a long enough term of years to provide facilities in Montreal, which the private industry would have to provide to deliver the coal—possibly I have not just got what you want?

Q. Putting, as it were, that to one side, still we must have the establishment of coke ovens in central Canada in order to give satisfactory competition against American coal.—A. I think so, yes. I think it is of a tremendous national importance.

Q. Then there is a considerable saving to be made by improved handling conditions at Montreal?—A. Yes sir.

By Mr. MacDonald (Cape Breton South):

Q. The two principal consumers would be the railways, the C.N.R., and the C.P.R. We had the C.P.R. man here the other day and he gave us some information about the different qualities of coal. Are you selling anything worth while to the C.P.R. or are you selling as much as you should sell to the C.P.R.?—A. I am afraid not. The Canadian National take a large amount of coal from us. We feel that they drive us down on the price more than they should, but I have not any criticism to make on the treatment by the Canadian National at all. I think they are doing everything they can to help us and they are using coal in a wider territory this year than heretofore.

Mr. MACDONALD: They are not doing everything they can to help you when they make the statement they can buy coal cheaper in the United States than they can in Canada.

Mr. CANTLEY: Mr. Wolvin referred to the Canadian National.

Mr. MACDONALD (Cape Breton South): They said that too.

The WITNESS: They make us a competitive price and we meet it. They are taking large quantities of coal from us and they are trying to increase it; I believe they are trying to help us.

By the Chairman:

Q. But they are making you meet competitive prices?—A. We have to meet competitive prices.

By Mr. MacDonald (Cape Breton South):

Q. What about the C.P.R.?—A. We meet what we consider as the competitive price but we cannot sell them any coal for their Quebec lines. We have not sold a ton of coal to the Canadian Pacific for the Quebec line.

Q. Why?—A. Well, the duty is not high enough to permit us to sell it to them at the price they buy the other.

By Mr. McLean (Melfort):

Q. You say you meet competitive prices?—A. Yes, we meet competitive prices. We are offering them coal in much smaller quantities at the same price we sell to the Canadian National, where we have met competitive prices, and I believe we are offering them coal at less than competitive prices, in my opinion, but we are unable to sell them coal.

By Mr. MacDonald (Cape Breton South):

Q. You made a contract with the C.N.R. for a certain price, I understand, last year, and offered it to the C.P.R. for the same price and they refused to take it?—A. That is our situation, yes. We have offered the Canadian Pacific at the same price as the Canadian National for much smaller quantities of coal. We do sell the Canadian Pacific coal for the Dominion Atlantic Railway in the province of Nova Scotia, and we sell the Canadian Pacific Railway coal at St. John, New Brunswick, for their lines in New Brunswick but unfortunately we feel there is 300,000 tons a year that we are not getting in the province of Quebec.

[Mr. Roy M. Wolvin.]

Q. Bunker coal, you say, is free from duty as long as it is used for bunkering. You suggest that duty should be imposed on that coal that is used for bunkering?—A. There is no doubt in my mind at all. It is merely a departmental regulation, it is all wrong. I will express it like this, if I may: I think it is all wrong when the province of Nova Scotia voted money, when it was a larger part of this country than it is to-day, to build canals that made it possible to bring in American coal to Montreal in competition with their mines; and did all they could do to build up a harbour like Montreal; and find that all these facilities are there for the purpose of making it easy to sell American coal instead of giving the business to the mines of Nova Scotia, to whom I think it belongs.

Q. That is one of the questions of the Maritime Rights.—A. That is my opinion.

By Mr. Cantley:

Q. A few moments ago, in discussing the question of transporting or shifting coal from the large collieries, coming up from Cape Breton, to smaller boats going up through the canal to Toronto, I gathered that the committee formed the impression from what you said that it would be necessary to land all this coal on the docks and afterwards load it on the steamer. Now, is it not a fact that at the Scotia discharging plant at Windmill Point, that plant is designed that should one of your big 10,000-ton colliers come in, you could lay a smaller boat on the outside of the big colliers and work two hatches into the dock and work the other two hatches discharging directly into the hold of the small steamer alongside? Has that been done?—A. That has been done, we do it right along.

Q. That coal would not have to be landed on the dock at all?—A. Yes. I think, though, that with proper facilities on the dock we would run our boats cheaper than to try and throw it over the side. Your small boat cannot always find the big ship or ships you would have your contract with to carry coal. At the present time we are moving 100,000 tons of coal by canal to different plants and we put it over the side of our boat to the other boat.

By Mr. Howden:

Q. How about weighing that coal; a gentleman told us the other day it could not be done?—A. We do it right along; we do not weigh it, we estimate it. We know it by the buckets, we know what a bucket weighs and we have never had any difficulty in being able to satisfy our customers and do business with them.

MR. CANTLEY: You can meet that in a practical way on the draft of the barges.

By Mr. Bury:

Q. When the barge gets up to the point of consignment is it weighed there?—A. When we send coal up to the sugar company and textile company, and different people, they have no means of weighing it.

Q. And they simply accept your consignment as accurate?—A. Yes, we are able to agree it is correct.

By Mr. Cantley:

Q. What quantity of bunkers is passed through the port of Montreal free of duty to-day, roughly?—A. Well, the total tonnage has not been great. I have not the actual figures, I think the Department got them here recently. At the present time it is much heavier than it should be, for the reason that we cannot meet the price and we are letting some of them take American coal. We have taken it at less than cost for some years and I have decided we may as well let somebody else have the business.

Q. What proportion of slack have you got in your mining operations at Cape Breton, roughly?—A. I think it is 43 per cent we took out last year.

[Mr. Roy M. Wolvin.]

Q. Suppose that the iron and steel industry was closed up entirely, where would the market be for that slack?—A. If the iron & steel industry was closed up it would be a mighty serious proposition. We have increased our market for slack each year and the increased duty on slack coal has helped us to some extent. Coke-ovens would help us. The discontinuance of the steel industry in Nova Scotia would bring untold suffering to the people there because, as it is, it is difficult to find a market for slack.

Q. Would not it be practically impossible to find a market for the coal?—A. It would bother us for several years. Ultimately we would have to find a place for it but it would retard the coal industry very much.

By Mr. McLean (Melfort):

Q. That slack would be just as suitable for coke making as the run of your coal.—A. It is the best of our slack. We have to have a high grade coal for metallurgical purposes, it has to be reasonably low in sulphur; it is the slack of our best coal.

Q. Do you charge your steel plant the same price as you ask from consumers elsewhere for that coal?—A. Well, at the present time we charge them approximately the same price, based upon the convenience. You see, we can send that coal in when we have not a boat, we can use it to balance our mine. They take it in the winter-time, take the slack out and then we can bank the other coal and all that kind of thing. There is a tremendous advantage in having a slack outlet. They are paying what I consider a fair price at the present time, what I would consider a good, fair marketable price under all conditions.

Q. There is one point you mentioned that I did not catch. The freight to Montreal from your Cape Breton mines is what, your water freight?—A. About 85c. That is with the return on the vessel.

By Mr. Cantley:

Q. A statement was made by the witness on behalf of the C.P.R. a couple of days ago that they have a contract for the supply of coal at the Montreal district this year at a price of 15 cents more than you offered. His explanation was that the Canadian coal they were buying in competition with Nova Scotia coal was worth 25 per cent more. What have you to say in regard to that? A. Did he say 25 per cent or 25 cents.

Q. Twenty-five per cent, he said 15 to 25 per cent, and finally he got down to a straight 25 per cent.—A. If he had said 25 cents I would think there was a basis of an argument, but at 25 per cent I do not think there is anything to be said.

Mr. MACDONALD (Cape Breton S.): He said 15 to 20 per cent.

Mr. CANTLEY: Yes, but later he stressed 25 per cent.

By Mr. Cantley:

Q. Can you give us roughly, without spending very much time on it, the total cost of discharging plants at Quebec, Three Rivers, and Montreal? It runs into a very considerable figure and I would like the committee to have some idea of the amount of money that has been expended in the construction of these plants.—A. They are all on leases, so without the property being included, I suppose a million and a half dollars anyway.

Q. I will divide my question into two parts. 1. As to the cost of the discharging plant. There are two plants, for instance, in Louise Basin, at Quebec; there is a plant at Three Rivers, and two or three plants in the harbour at Montreal, the cost of which runs into several millions of dollars.—A. I think I would rather say two million than a million and a half.

[Mr. Roy M. Wolvin.]

Q. One other question: What rentals are you paying, for instance, in Montreal for this leased land on which your coal piles are situated?—A. I would rather not give that publicity. I may have a little better basis than some of the others. The regular rate in the harbour of Montreal is ten cents per square foot for a year.

By the Chairman:

Q. Does that vary with a larger amount; that is, can you get a large number of square feet for less money than those taking a smaller piece?—A. We have taken a very large piece recently at a reduced rate.

Mr. BURY: We cannot possibly hear what he is saying.

The WITNESS: During the last three months we have taken a very large piece of about 440,000 square feet. I think. It is land that has gradually been made by fill and no one else can reach it, it is useless to the harbour and we have taken that at a low rental, which I would rather not mention. It is not anything like 10c. I have taken it for ten years, the rental doubles at the end of five, and we have arranged with the Canadian National to bank 125,000 tons of their coal there. The reason we pay so small an amount is that the property has not the proper facilities, but it is close to the dock and it gives us access to our boats.

By the Chairman:

Q. You are getting a lower rental because it is not fitted up?—A. It has no discharge facilities on it.

By Mr. Garland (Bow River):

Q. You gave us costs as to what you pay for moving your coal; would you give us the price you are selling that?—A. I hardly think I could do that; we have so many customers.

Q. Your market price?—A. Yes., the price of coal ex-dock at Montreal is \$5.50.

Q. Not at your mines?—A. At the mines for rail shipment?

Q. Yes.—A. That is only a local condition, only Nova Scotia is concerned in that. I think our price is \$6 a ton. Most of that coal is screened coal, ready for household use; it takes a large amount of slack in it and it is rather unfair to compare it with the price in Montreal, or anything of that kind.

Q. Could you give us any idea of the cost of coal at the Inverness mines?—A. No, I would think their cost is as high.

Q. When you get your coal to Montreal how do you handle it, through whom? You have an agency there?—A. We are wholesalers of coal, but as wholesalers we sell to people who buy a thousand or fifteen hundred tons a year.

Q. You have a subsidiary company in Montreal?—A. We have no subsidiary company, no, sir, in Montreal. We sell to a great many dealers and we sell to a great many consumers direct. The consumers we sell direct to either take it by switch in railway cars or deliver by barge, or by sending their own trucks after it. We have no arrangements for retail business, such as delivery.

Q. Is there an import company in Montreal?—A. There is the Canadian Import Company in Montreal and in Quebec, the largest dealers in coal that I know of in Canada.

Q. I suppose you know some of the principals, Mr. Webster and others, and yourself?—A. No, I am not interested in any way.

Q. Mr. Lorne Webster is interested in it?—A. Yes, I know he is one of them.

Q. Do the independents—I refer now to the Inverness people and the Bras d'Or fields—do much business in Montreal?—A. They do not do any of it.

[Mr. Roy M. Wolvin.]

Q. Why is that?—A. If there were no companies running operations like ours they would not be doing business. It is just the idea of the big business, and their facilities for doing business. I would say if we did not have the facilities we have in the way of handling there would not be the business in coal as it is to-day, and there would not be much for Nova Scotia. It is the facility of the organization that does the business.

Q. You virtually have a monopoly of the Montreal market?—A. You must remember there is not any organization prepared to ship to Montreal. There is not a mine that is prepared to ship, having the facilities for shipping in large quantities, or such quality of coal as Montreal would take.

Q. Surely the Inverness people have their own boats?—A. No; and you could not sell Inverness coal in Montreal at all.

Q. Why?—A. Inverness coal is attractive to the housekeeper to use domestically, but it is very high in sulphur. Inverness, we would not dare to mix it with our coal.

Q. It is ordinary, for domestic use?—A. Yes, and it is well thought of, and they pay more for it than they do for other domestic coal.

Q. You have intimated already, that in order to make coke and sell it commercially, you would have to have a ready market for your gas, the principal by-product, and other by-products also?—A. Yes.

Q. Have you made any survey of the gas situation, especially in Quebec and Ontario?—A. I have in a general way, but generally I have taken the report of the Fuel Board. They have gone into that at great length, and if I undertook to quote it I might mis-quote it. I might say this information is in their report.

Q. You have not any idea of the coking plants that would be commercially profitable?—A. I think that coking plants at Montreal, Quebec city, and Toronto could be built at once, building a unit first, and other units could be added in a couple of years to take care of the increased use of coke.

Q. A coking plant costing about \$3,000,000 will produce about 360,000 tons of coke a year?—A. No, they never will build it for \$3,000,000; it will cost more than that if you figure it right.

Q. The plant in Troy, on the Hudson foundation, cost something over \$3,000,000.—A. Well, I have seen the plant at Troy, and it can bring its coal in from all around. First you have to provide big storage plants here for the winter.

Q. Then, do you think I had better double the figure?—A. I think you had better double the figure for a city like Montreal. I think you have to deal with larger difficulties there; you have to have a water-front property, and discharging facilities, and storage for your coal, and storage for your coke in summer. All those things add cost to your plant. That is one reason why you have to consider government assistance. If you would start to build a plant to-morrow for Montreal, the consumption is already there, and you would have to sell to the Light Heat and Power Company at a price that would be attractive to them, and they are making their own gas already.

Q. And you would have to sell it in competition with the electric light as well?—A. No; there is quite a competition, but I think you could increase consumption if you could sell gas a little bit cheaper. I think the consumption of gas is going to be one of the startling things in a few years. In addition to using coke we will be heating our homes with gas.

Q. Do you think gas will beat electricity?—A. Gas will go side by side with electricity. For certain purposes electricity has every advantage over gas, but gas has never been pushed in Montreal in competition with electricity.

Witness retired.

[Mr. Roy M. Wolvin.]

WILLIAM BUCHANAN called and sworn.

By the Chairman:

Q. Will you please give your business?—A. I am a coal merchant in London, Ontario.

Q. You are a resident of London?—A. Yes, in the retail coal business twenty-five years.

Q. Are you familiar with the coal and coke situation in the city of London?—A. Yes.

Q. You are familiar with the conditions concerning transportation of coal on the Great Lakes?—A. No, not on the Great Lakes.

Q. On the St. Lawrence?—A. All rail.

By Mr. Armstrong:

Q. I would like you to tell us about your business, Mr. Buchanan?—A. I am in the retail business and have been retailing Alberta coal when I could get it at a \$7 freight rate. First, we got some twenty-five cars, then last year we got forty cars, and this March and April I got sixty. I wholesaled a few of those in different towns, and retailed most of them in London, delivered in sacks, \$14 a ton for real good Alberta coal. Now, I pay at the mines \$3.25 for the cheapest, some for \$4, some \$4.25, some \$5, and I have paid as high as \$6 for Saunder's Ridge and Saunder's Creek, f.o.b. cars, that is the highest price.

Q. You can handle about 120 cars?—A. All told, 5,000 tons of Alberta coal.

Q. How many cars?—A. That would be over one hundred and fifty cars.

Q. You found that it had given good satisfaction?—A. Yes, and a great many people that used it the first year ordered it the second year, and lots of them filled up their bins to complete their winter supply. Others, again, would try a ton and see how they liked it and how it would suit them, and most always would come back and get more.

By the Chairman:

Q. What was your first experience with Alberta coal?—A. Two years ago.

Q. And you have developed that business within the last two years?—A. Yes, sir, and if we had had it regularly I could sell five times as much; but the way we get it is to come before Parliament and before the Railway Commission, and then get the orders through the Fuel Controller, and we don't know whether we are going to get six cars or a hundred cars. After a little experience in it I would ask for a good supply—well, a hundred, and take a chance of selling.

By Mr. Bury:

Q. Your experience was good?—A. Yes.

By Mr. Cantley:

Q. There was only a season's supply; you could not do the business during the whole twelve months?—A. No.

Q. And you could not get it during the period of greatest consumption, that is the winter months?—A. That is true.

By Mr. Bury:

Q. Have you had any serious complaint in regard to the coal that you received?—A. No, I have not. No one wished to take it out, or complained about it. Some complained there was too much slack in it, and I would explain to them the slack was just as valuable as the lump coal, and it was very necessary to have some slack to cover over at night, to bank it, so they were glad to learn particulars, and the more they used of it the better they seemed to like it.

[Mr. W. Buchanan.]

Q. They would buy it almost in preference to the anthracite?—A. Yes; several people this year are asking when I am going to get Alberta coal, and they say as long as I can get Alberta coal they will never buy American coal.

By the Chairman:

Q. Was anthracite selling at the same time you were selling Alberta coal?—A. Yes.

Q. What was the difference in the price?—A. When we started to get Alberta coal we were selling anthracite at \$15.50 in bags delivered any place in the city. I got some Alberta coal and sold it at \$14 a ton, delivered in bags.

By Mr. Bury:

Q. How long have you known this Alberta coal to be stored?—A. Six months, and sometimes more. I have a specimen here of Drumheller high-grade, upper-seam coal that I got down the first shipment, just over two years ago; I put it in my cellar, and in the spring I thought I had better have a lump as a sample, because we may not get any more Alberta coal, so I took that and another lump and laid it on my desk in the office, and it laid around my desk in the office for two years.

By Mr. Garland:

Q. Was that on your desk all the time?—A. Yes, and I showed it to a thousand people, and they handled it and looked it over.

Q. It would keep in the cellar better than on your office table?—A. Certainly.

By Mr. Armstrong:

Q. Perhaps you would leave this sample with the Committee?—A. Certainly.

By Mr. Bury:

Q. Your customers took the coal in in the summer?—A. Yes.

Q. Did any of them ever come back to you in the course of the winter or the next spring and complain that their coal had slacked too much in their cellar?—A. Not one. I stored two carloads in an open shed myself, of good coal, in the last days of July, and left it there, some of it till October and past October, and took it out of bins—there would be probably a hundred tons in the bin, an open shed—and it came out just as good as it went in.

Q. By an open shed you mean just a roof and three sides?—A. Yes, three sides.

By Mr. Armstrong:

Q. You supplied cars of coal to other parties around the city?—A. Yes.

Q. Have you had any complaints?—A. No, none whatever. I supplied coal to St. Thomas, four cars; Woodstock, four or five cars; Strathroy, Paisley, Exeter, Mitchell, and many small towns, and they liked this coal very well, and ordered more. I sent it also to other places—Breslau, Thamesville, Camlachie, Glencoe, Watford; and I retailed some twenty cars myself out of that shipment, and that was last August and September.

By Mr. Bury:

Q. Besides the Drumheller, Saunder's Creek and Saunder's Ridge, you got some Edmonton coal?—A. Yes.

Q. Had you any complaint about that?—A. Well, no, I don't know as I really had any complaint, but my experience would be not to buy Edmonton coal. There is more moisture in it. It will not store quite as well, and I think the best coal is none too good for Ontario.

[Mr. W. Buchanan.]

Q. If some lignite coal around Edmonton could be sold a little cheaper you would have a market for it, in view of the cheaper price?—A. Oh, yes; a great many of our people will buy Alberta coal on the price, no matter what it is; in fact they don't know. When I got in high priced coal at \$6, I probably would sell it just the same as the \$3 coal, and did sell it.

Q. You got some Marcus coal, did you?—A. No.

Q. Did you get coal from the Penn Mines?—A. No. I got some from Clover Bar, from McKay, and I have had Pembina.

Q. How did the McKay and Clover Bar do?—A. It looked very good, but it slacked quicker.

By Mr. Howden:

Q. The general impression is that this western coal will compare, ton for ton, with the anthracite?—A. No, not that; if one is worth \$14 the other would be worth \$16. That would be a good comparison I would think.

By the Chairman:

Q. You received that coal in box cars, covered cars?—A. Yes.

Q. What system did you have in unloading in London?—A. We just open the door and go right in with a pick and shovel. Some was too large to bag it, and we had to break those large lumps and bag it, and take it right out. We didn't store but very little of it. We had any amount of orders, and people came up and ordered a ton.

By Mr. Garland:

Q. Did you have any hesitation, as a dealer, in storing it?—A. I wouldn't like to keep much of it, like I did anthracite; that is, take it in in April or May and store it till December.

Q. For what reason?—A. Well, there would be more or less slack in it, more than in anthracite.

Q. Surely not, if you had properly fitted bins?—A. No, there would not, but we store it and unload it, say, in a bin, probably draw it over, and that breaks it a certain amount. Then we take it up again, or bag it over again, and work it for a month, perhaps, at the same bin, so that it gets more or less slack.

Q. You have no storage alongside the track?—A. Yes, we have, but we could wheel it in in that case, wheel it in with a wheelbarrow.

Q. You have not got it close enough from the car?—A. No, we have to have six feet clear, and we have to take the bag or box across. Even an open car would be harder to get at. This coal would not elevate very well in an elevator.

Q. Not unless the elevator was designed specially?—A. That is so.

Q. A while ago you spoke about six dollar coal that would be selling at the same price as the \$3 coal; did you have to do that?—A. Yes, in some cases I had a car of each, and would tell a friend about it, and show him all about it, and tell him about the good qualities and I would sell it. I put it in my own house, and my sister's, that is the way I got out of the high price.

By Mr. Armstrong:

Q. Give us some idea of prices at the mines?—A. At Edmonton I think I could buy it at \$3.25, good coal.

Q. Give us some other ones.—A. Drumheller this last season has been \$4 for a good furnace lump coal that goes over an inch, nice clean coal.

By the Chairman:

Q. Did your \$7 freight rate mean \$7 at the siding in London?—A. Yes.

[Mr. W. Buchanan.]

By Mr. MacDonald:

Q. Did you get all your coal at that \$7 rate?—A. Yes.

Q. What about that \$9 rate?—A. Could you sell it at that?—A. No, we could not.

Q. You have got to get that \$7 rate in order to make it commercially profitable to handle?—A. Yes. Say we buy a good coal up there at \$4 at the mine, and \$7, is \$11, and it takes about \$3 to handle it, from \$2.50 to \$3.

By Mr. Bury:

Q. That is the distribution cost?—A. Yes. We have a teamster and we give him a \$1 a ton to team from the track, so there is \$1, right off, the first thing. Then there is the shortage and the office expenses, and the like of that, and overhead expenses.

By Mr. MacDonald:

Q. You count that \$2?—A. Yes, I get \$2.50 out of all Alberta coal that I handle.

Q. Out of what you retail, not out of what you handle?—A. Yes.

By Mr. Bury:

Q. I gather from what you say that the expensive high-grade coal, Saunder's Creek, in point of fact you did not distribute it among your customers; you kept that for your friends and relatives and yourself?—A. Yes, I could sell it at \$14, the same as other coal. I gave some of it out to people, thinking they would get used to it and be glad to introduce it, and probably I wouldn't make a cent on it.

Q. What I am getting at is this: In point of fact, the bulk of the coal that you distributed to your customers was not the Saunder's Creek coal?—A. No.

Q. It was perhaps a little bit not as good coal?—A. No; Drumheller coal, I had over twenty cars.

By Mr. Howden:

Q. Would you have to bag it at your own expense?—A. We would have a yard-man in, and would bag it and hand it to him on the wagon. He would store it. If he would take it loose, he would load it probably.

By Mr. Bury:

Q. That all came in the \$14?—A. Yes.

By Mr. Armstrong:

Q. How many cars of coal would you undertake to bargain for, this same grade, if it could be provided at \$7 a ton, freight rate?—A. I would take twenty cars a month all the year round, or if I only had it for six months, 100 cars.

Q. If you could get Alberta coal delivered to you at the \$7 rate you would take 20 cars a month all the year round?—A. Yes.

Q. Or what?—A. Or for three months I would take 200 cars; it depends on the time of the year.

Q. For three months out of the year you would increase that to 200 cars?—A. Yes.

By Mr. Gershaw:

Q. Is there any loss of weight on that coal?—A. They say so. There is some loss, but not very much. Of all I handled I have about six and a half tons loss, out of we will say, 100 cars; but of course we delivered a lot of those off the car; it never went to a pit.

[Mr. W. Buchanan.]

By Mr. MacDonald:

Q. You would almost lose that in slacked weights?—A. Yes; if I stored that in my sheds and took it out six months later there would be more waste to it accordingly, because we took it right off the car and sold it, two cars a day in some cases.

By Mr. Bury:

Q. Did you bag it directly from the car?—A. Yes.

Q. Then, it is delivered directly in bags, and the bags are emptied and brought back?—A. Yes.

By Mr. Armstrong:

Q. Has any of this coal been delivered to you in open cars?—A. No.

Q. Have you any idea what it would cost to deliver it from Port Stanley to London?—A. 90 cents a ton, we have now, coming from Port Stanley to London.

By Mr. Cantley:

Q. What is the mileage?—A. 28 to 30 miles.

Q. Have you sold any of this Alberta coal for heating purposes in manufacturing establishments?—A. No; it is a domestic coal, though we could buy steam coal up there just as readily. They had plenty of steam coal out in Alberta. If we want it for steam we buy steam coal; if we want it for domestic we buy domestic coal.

Q. I had a letter from a manufacturing concern in London that said they were using annually about 10,000 tons of coal for heating, and wanted to know if it was possible to get Nova Scotia coal up to their city. They were willing to pay some increased price over American; would this coal be suitable for their purposes, simply for drying?—A. Alberta coal, yes, it would.

Q. Suppose the rate were \$7, or \$6, would it not almost displace American coal in Western Ontario—I mean the whole region from Toronto?—A. Yes, I would say it could be done.

Q. If the rate were reduced to \$6?—A. That would be \$10 cost in our town, and I could sell it then for \$13, or in carload lots sell it at \$10.50.

Q. My question is, at that rate would it not be possible to practically displace American soft coal in that whole territory in Ontario?—A. It would. I understand that in Winnipeg 90 per cent of the tonnage is Alberta coal; and my custom this last ten years in the summer time is always to tell customers to get in coal early before navigation, but I do not hear much of that lately. Now, after we had had a strike in the Pennsylvania field for over four months a Winnipeg man was advertising coal for sale on the docks at Fort William. Nobody could get a car of anthracite coal at any price, even in Scranton or any-place else, but it was at Fort William for sale after the strike had been on four months. Well, I found out from the railroad what it would cost to fetch this anthracite coal down, \$7.30 a ton from Fort William down to London. They had stored it there and left it there probably for six months or a year and then after there was a strike on and nobody had anthracite coal they had it there. I wondered why this was and I began to think Winnipeg was expected to buy this coal but they did not do it.

By Mr. Howden:

Q. Why was it?—A. They had been buying Alberta coal, and Brandon and all through Manitoba had been buying Alberta coal and did not buy the anthracite, so this man had to sell it. There was an opportunity to sell it when there was a strike on. I think that this proves that Manitoba is using Alberta coal and they have the same furnaces and same stoves as we have in London.

[Mr. W. Buchanan.]

Q. If you were able to sell Alberta coal at \$13 in Western Ontario, don't you think American anthracite would follow your price down?—A. No sir. The American anthracite is pretty well worked out and they are very independent. I have been trading with them for twenty years. I have been down at the mines and coaxing them to get coal, during war time and other times as well. In some cases they say "pay your money in this bank down here and give the bank manager an order to pay me as soon as that coal is loaded." They have been sending slack and stone and other things to make it run out as long as they can.

Q. That is quite true, but that is when they thought that they had the upper hand. When they find you are independent of it, don't you think they will change their attitude?—A. Lately they have been charging a dollar a ton higher than a year ago.

Mr. GARLAND (Bow River): That was just as soon as the Alberta coal ceased to come into Ontario.

Mr. BURY: Yes, when the test movement ceased.

WITNESS: There are small independent fellows in the anthracite business who have small mines of their own and who feel it is better than anybody else's and if the market is stiff they get about 25 cents up to a dollar more; it depends on what it can stand. When there is a glut in the market and the railroad companies—there are about five of them—who control the price and once in a while, in my twenty years' experience, the little fellow has to come down about to their level but as a usual thing he gets a little bit more and he gets all the way from ten cents to a dollar a ton extra.

By Mr. MacDonald (Cape Breton S.):

Q. You told us for two years you have been handling this Alberta coal principally?—A. Yes.

Q. Why was that, was it the result of a campaign of education?—A. Yes.

Q. In the burning of Alberta coal?—A. Yes. Eight years ago I happened to be taking a trip through the west and I stopped at Edmonton and I went down to the Penn mine there in Edmonton and I, being a coal man, took a little interest in the coal business. I met Sam Drumheller himself and had quite a visit with him and he told me all about the mine at Drumheller and gave me the address of about five. I corresponded with them and got prices, that is the way I took hold of it first.

Q. There was a campaign of education, was there not, put on by the Alberta government down through the province of Ontario?—A. Lately, they have been pushing Alberta coal and the only way they could get it on the market was for the Alberta shippers to give a present of the coal, give it away for nothing, and they gave one car to Toronto and one to London and one to Ottawa, I believe, and probably one to Hamilton.

Mr. GARLAND (Bow River): Two to Ottawa.

The WITNESS: They gave the coal away. It was put on through the papers and our "Free Press" phoned me and said they had a night letter asking if they would take a car of coal. They said they were not in the coal business and they did not know anything about it. They thought that I, being up through the West, would know about the coal. I said, "I will take it and deliver it at cost price, I will pay the freight on it. You either have it shipped direct to me or to your own name and I will retail the coal out." When the coal came in they took a photograph of the car in my yard and they took three or four tons down to Small Ingram's basement, which is a large store there, and had one of McClary's furnaces and lit a fire there and demonstrated how it would burn. That freight cost me \$13.20.

[Mr. W. Buchanan.]

By Mr. McLean (Melfort):

Q. That was the regular through rate?—A. Yes.

By Mr. MacDonald (Cape Breton South):

Q. That supply of anthracite at Fort William; don't you think that possibly those people were keeping it there just for the purpose of holding the market?—A. No, I do not think so. I am well acquainted with the American people, and have been trading with them off and on and I buy some in the east and sometimes in the west, and as far as I know they always treat us very fair and I do not know as they try to corner the market.

Mr. McLEAN (Melfort): That is the western market they were holding it for, they have always done that.

By Mr. Armstrong:

Q. They have no unloading facilities at Port Stanley, have they?—A. The Canada Steamship Company have gone into the coal business, I think just to get a little tonnage for themselves as much as anything. They say they are not really coal men but they have connections at other places and they go and get a boat-load any time and fetch it to Port Stanley. That has just started lately.

By the Chairman:

Q. Where is their supply?—A. They get it from West Virginia.

By Mr. Armstrong:

Q. But facilities could be arranged there?—A. Oh, yes.

Q. For the handling of coal very easily?—A. Very easily, and lots of room.

Q. Have you considered lake and rail haul in handling coal?—A. No, I have not, very much. I would say that the cheapest and best way to get Alberta coal for inland points is by rail in box cars. Now, the railroad people tell us that one of the largest expenses, or greatest additional expense, is taking the empty cars back. I know for a fact they have thousands of empty cars up there unfit for grain, they have accumulated there for the last twenty years.

By Mr. Bury:

Q. Where?—A. Up in the west from Fort William to the mountains, over 30,000 empty box cars. I received several of them and I noticed a card put on them "Unfit for grain," nailed on the side of the car. In some cases that had faded out and another one had been put on there, you see, the next year, with greatly brighter colour, "Unfit for grain." These cars are loaded with coal and in some cases they may have a hole in the floor and a board is put over it and it works well. If there are bad doors, they put even boards in the door. In lots of cases they are sealed up and a proper door put on the car but it does not make any difference to the coal. All the coal I received you would not know but what it only came from ten miles, in no ways was it crushed or broken.

By Mr. McLean (Melfort):

Q. Of course it could not be crushed after it was loaded into the car?—A. Not very well, but some say it does.

By Mr. Bury:

Q. They claim it shakes?—A. They say it shakes up and down.

Q. That the shunting breaks it; but apparently it does not. Would the box cars come to you filled?—A. They would be not much more than half full.

[Mr. W. Buchanan.]

Q. You mean to tell me the box cars were only half full?—A. The capacity of the car is probably 30,000 pounds, or in some cases 40,000 pounds. They load it to the capacity of the car. When they take an old car that was unfit for grain, which would naturally be small cars and poor cars, they would not want to overload it.

Q. You think they were only loaded to half capacity?

The CHAIRMAN: Full capacity.

The WITNESS: Full capacity, but you would not fill them to the roof; if it was oats—

By Mr. Bury:

Q. I understand what you mean by "capacity," the cubic capacity. You cannot use the whole cubic capacity because the weight would be too heavy.—A. Yes, that is true.

By Mr. Howden:

Q. A box car is only half filled with grain?—A. Yes.

By Mr. Armstrong:

Q. What proportion of the cars you received were of this old type not suitable for grain?—A. Fully 80 per cent, probably 90 per cent.

By Mr. Bury:

Q. Supposing you used good cars, good rolling stock, instead of this old rolling stock, what do you think a car would carry?—A. A box car?

Q. Yes, a box car.—A. Well, they could handle 40 tons or 50 tons.

Q. 50 tons to a car?—A. Yes, you get some 50-ton box cars, not from Alberta though.

Q. From where?—A. From Pennsylvania we often get box cars with 50 tons in them.

Q. From the States?—A. Yes, sir.

Mr. McLEAN (Melfort): The C.P.R. have lots of 50-ton cars.

Mr. BURY: We have been handling train loads with 13 tons in a car and then we take about an eighteen hundred-ton haul whereas our haul ought to be at least three thousand.

The WITNESS: They figure on the smaller cars, and with the smaller cars it is more expensive per ton. With a 60-ton car they could fetch it down cheaper, but I claim they have got the empty cars up there now, 30,000 of them or more, on their road, shunted out on sidings and moving back and forwards. If they want a few cars of wood they can use them. Why not load those cars and take them down here and if they send down one hundred cars a week it will take three years to get the 30,000 cars down, or more, and then by that time there will be a lot more accumulated out there.

By Mr. Bury:

Q. And those cars could be repaired and sent back?—A. I know that we have them in our shops in London. They can repair them and put doors on and fix the roof and send them back.

By Mr. McLean (Melfort):

Q. Are those cars marked "Unfit for grain" repaired by the railroads in the West from time to time?—A. I would say, no. They could be repaired, quite a few of them.

[Mr. W. Buchanan.]

By Mr. Armstrong:

Q. A fair number of them come with the sign.—A. Yes.

Q. One car after the other pasted over?—A. Yes.

Q. And for a term of three or five years, were there that many?—A. Yes.

Mr. McLEAN (Melfort): Not the same cars?

Mr. ARMSTRONG: The same cars standing on the siding.

The WITNESS: We have them in London. If I go along now and look I notice a lot of cars away up on the back sidings, old box cars and even cattle cars. I used to ship cattle away back myself and I notice in looking out of the car there you see hundreds of them along the road, all empties, old ones that would be no good.

By Mr. McLean (Melfort):

Q. I understood you to say a little while ago you got 30,000-pound and 40,000-pound cars; you mean 30-ton.—A. It would be 30-ton, yes; 60,000 capacity.

By Mr. Gershaw:

Q. You have been acquainted with this coal business; have you any solution that you think might be practicable?—A. To bring the coal down?

Q. To bring the coal into Western Ontario, other than you suggest?—A. Yes, I would suggest that if we can get a steady supply of Alberta coal the Alberta people will give it to us a little cheaper. We were paying \$4 for real good Drumheller coal. Now we may buy it for \$3.75; there is a quarter off there. We could handle it cheaper, I am sure, by a real study of the situation, and instead of having to figure on \$3 we can figure on \$2. I will handle it very low, almost at cost, to put it on the market and get the people used to it, because I am sure it is the coming fuel for Ontario.

By Mr. Howden:

Q. Do you think it would be feasible to use the rail and boat haul?—A. Well, I am not much posted on the boat haul.

Q. You have been speaking on the all-rail haul, have you not?—A. Yes.

By Mr. McLean (Melfort):

Q. Do you think it feasible, if you were given that low rate, to get your coal in in the spring and summer months, when there is no great grain movement?—A. May, June and July would be a good time. I have put in for forty-five families now, have put in their coal for next year. Every coal merchant is doing the same; we have about thirty merchants there.

Q. And you think it feasible for you and other dealers to store from April on, when the mines in Alberta are becoming quite slack?—A. Yes, we could store some of it, but we don't like to do much of that.

Q. Because of the financial expense?—A. Yes, and the room.

Q. You could get lots of storage place alongside the railway tracks?—A. Yes.

Q. And cheap storage?—A. Yes, that is quite true.

Witness retired.

The Committee adjourned till Tuesday, June 8, at 11 o'clock a.m.

COMMITTEE ROOM 425,
HOUSE OF COMMONS,
TUESDAY, June 8, 1926.

The Special Committee appointed to investigate our present sources of supply of anthracite and bituminous coal, the dependability of such sources and other matters in relation thereto, met at 11 a.m., the Chairman, Mr. Lapierre, presiding.

JAMES DOUGALL, recalled.

By the Chairman:

Q. You were asked to prepare further evidence upon certain questions you were examined last week; have you a statement prepared?—A. No, sir. I would just like to make a few remarks. The other day, when we were discussing the various qualities of Alberta coal it was rather difficult to explain to the Committee just exactly what I had in mind. I am reading now from the report of the Alberta Coal Commission, and on page 28 you will find a classification of the coals of Alberta which, in my opinion, are correct, as near as possible, for commercial purposes. I might say, in connection with this report, that the three gentlemen therein mentioned should be considered as quite reliable. Mr. Drimman, who was probably the foremost coal mining engineer in Canada, was one of them, himself very much interested in both bituminous and lignites of that Province, and I feel certain that nothing would be in the report that was not correct. In these classifications you will note the definition of classes, and so on; Short Flame Bituminous, Long Flame Bituminous, Sub. Bituminous, Black Lignite and Brown Lignite. That will clear up that question. You will also note that at the bottom is given the moisture contents of those coals.

By Mr. Bury:

Q. You are simply adopting this statement on Page 28 on its own authority as part of the report of the Alberta Coal Commission?—A. No, sir, I am adopting it as my own, and more than that, it is backed up by Dr. Allan and by the Research Council of that Province, the Province of Alberta.

Q. That is all in the report?—A. Yes sir. I just want to make that clear because I consider that a fair statement in connection with our coals of Alberta.

By the Chairman:

Q. That is in confirmation of your own opinion?—A. Yes sir, absolutely. I have sold a good many tons of it myself. On page 125 of the same report they deal with the rates, and so forth, on American coals. In that connection, I find that the coals we would have to consider to compete with from the Province of Alberta would be the hard coals from the United States. The present laid-down price in Toronto of stove coal is \$14.32 a gross ton, and \$12.79 a net ton.

By Mr. Bury:

Q. Are you talking now of domestic coal?—A. Yes, sir; I said stove.

Q. Oh yes?—A. On hard coal—the retail price of that to-day in Toronto, the price last week for egg and nut was \$15.25, and stove \$15.75. Then we come to the so-called domestic soft coals, such as Pocahontas smokeless. The present price of that laid down in Toronto is \$7.75, the retail price is \$11 to \$12. Somerset County smokeless, which is perhaps not quite as good a coal as the Pocahontas smokeless, but a domestic coal used quite extensively, costs \$6.97

[Mr James Dougall.]

	N.T.
Cost f.o.b. car mines	\$ 3 00
Freight to Black Rock	2 47
Freight to Toronto	1 00
Duty	50
<hr/>	
Cost f.o.b. car Toronto	6 97
Retail price delivered	\$9 or \$10

Coke

	Black Rock	Detroit	Hamilton
Cost f.o.b. Car	\$7 60	\$7 00	\$8 00
Freight to Toronto	1 40	2 00	90
<hr/>			
Cost f.o.b. car Toronto..	9 00	9 00	8 90

Retail price delivered, \$12 to \$12.50.

By the Chairman:

Q. Are those prices fixed for any period of time?—A. No sir.

Q. They are subject to variation?—A. Yes sir, at all times.

Q. Is it usual for prices to advance as the season advances?—A. Yes, sir.

Q. Then I am to infer, from your remarks, that those prices quoted to you will be the minimum prices for the season?—A. They will be the minimum prices for the year. On page 149 of this Alberta Report—I am referring to this, gentlemen, because this report, in my opinion, is one of the best that has ever been got out dealing with the western coal situation—you will find that they deal right throughout with the question of competition in Ontario. One of the salient points in that will be found on page 155, where the Commission makes this statement: "The Commission suggests that, between the dates and under the conditions outlined, the rate be fixed at not more than \$5 a ton to the shipper." In other words, they conclude it will require a \$5 rate to compete with American coal in the Ontario market.

By Mr. Bury:

Q. That is freight rate?—A. Yes, sir. I am just quoting from there; there is the figure. I am not making any statement myself; I am not interested in freight rates.

Mr. BURY: I would suggest, Mr. Chairman, that except where it would help us to find in the report where the evidence is, it is not Mr. Dougall's evidence.

The CHAIRMAN: I am of your opinion, Mr. Bury.

Mr. BURY: Except as an actual assistance to show where the report deals with these particular matters.

The CHAIRMAN: But I see no objection to this being in Mr. Dougall's testimony.

Mr. BURY: Oh, no, as long as it is understood it is not his evidence.

The WITNESS: I would only have to give it to you myself, Mr. Bury.

Mr. BURY: No, because you say you are not interested in freight rates.

The WITNESS: I say, personally, as an officer of the railroad I represent, I do not deal with freight rates; let me put it that way. I do not deal with freight rates. I do not know anything about them. I am simply saying this; this Commission states it would require a rate not exceeding \$5.

[Mr James Dougall.]

By Mr. Bury:

Q. You do not catch my point; when a witness states that somebody else states so and so?—A. Well, do you want me to state it?

Q. No, no; you cannot say?—A. I see, sir, correct. Now, on page 159 we come to the question of the storage of our Alberta lignites; it gives there the losses of the coal and the moisture contents.

By the Chairman:

Q. That is 158?—A. And 159. In connection with the handling of these coals, there is not any question but that the Alberta lignite coals can be handled without an excessive amount of breakage.

Q. With the machinery, loading or unloading facilities we have at present?—A. Oh, no. We have no machinery at all at Fort William; Fort William is an in-bound port for coal, not export.

Q. Well then, would you state that it would be economical to bring Alberta coal to the head of the Lakes?—A. No, sir.

Q. Fort William?—A. No sir, I would not say so.

By Mr. Bury:

Q. But the point you were dealing with, Mr. Dougall, was that as far as the question of friability is concerned, or breaking up of the coal, Alberta lignite could be handled without excessive degradation?—A. With the proper machinery.

Q. With the proper machinery?—A. Yes sir.

Q. Now, when you say that, are you thinking of machinery to unload at the head of the Lakes and to trans-ship into boats and then unload again from the boats, say at a Lake port, Eastern lake port, or are you thinking of just the train haul the whole way?—A. Oh no, I am answering the question in connection with the trans-shipment of the coal at Fort William.

Q. At Fort William?—A. Yes.

By Mr. Howden:

Q. Would you say that with up to date methods of handling coal the cost of western coal in central Canada and Ontario could be considerably lowered?—A. No, I do not say that, sir.

Q. Well, we had a witness here before us the other day—which is the reason I ask that question—who started that coal going either way could be to some extent reduced in price with improved conditions in handling at Montreal; I merely wish your opinion?—A. I do not get you, pardon me?

Q. It was pointed out by a witness before us the other day that if apparatus, let us say, for handling or trans-shipping coal were installed at the Montreal docks, improved apparatus, the cost of the coal could be lowered?—A. Well, I would not like to say that because I think the Besco coal people are pretty well equipped at Montreéal.

Q. I thought you just mentioned to Mr. Bury just now.—A. Fort William, sir.

Mr. BURY: He was talking of the eastern movement.

By Mr. Howden:

Q. You think conditions could be improved at Fort William?—A. I do not say that because for unloading coal at Fort William they have good apparatus, but this movement is in the other direction, sir.

Q. For loading?—A. Yes sir. In order to put coal into the bottoms, into the vessels, you could not just dump it in out of a car holus bolus, you would have to have some modern machinery to load it into the boat the same as they do in the Old Country.

[Mr. James Dougall.]

Q. But with that machinery the cost would be, perhaps, lowered somewhat and the coal could be handled to greater advantage?—A. The coal could be handled to greater advantage but I would not say that would reduce the price of the coal in Ontario.

Q. The moment you add that, you get the further element of price cutting, because if you take the position that the price must always be determined by the competition of American coals, you open the whole question of the possibility of American coals being dumped, or in some other way as the price of American coals being cut, in order to continue to keep that down under the present price.—A. That is not the case, because American coals are sold on the open market. The price of Pocahontas coal is published every day, and we pay the same price that they pay.

Q. Precisely, it may be published every day, but when you come to the question of keen competition between Alberta coal trying to capture the Ontario market, as it has captured the Winnipeg market, and has driven American coal out of the Winnipeg market, do you not think that the American mines would meet that competition by lowering their prices?—A. They might.

Q. That is what I mean; therefore what I think you ought to do, if I may put it this way, is to take the ruling price at present, leave out future possibilities of production, the result of keen competition; taking the ruling of prices at present, would it be possible, by installing an absolutely up to date equipment at Fort William to handle shipments of Alberta coal in large volume, would it be possible to reduce considerably the present price of Alberta coal?—

A. That is an all-rail haul, the present price—a different thing altogether.

Q. Take the present price; we are dealing with the question as to whether, taking the price at which Alberta coal could be laid down on the all-rail haul in Toronto, whether that price could be bettered if there were installed at Fort William an up to date equipment for trans-shipping to boats; because we, as a committee, have to consider if we can get a better price for Alberta coal in Ontario, either by lake or rail.—A. Yes, the price of Alberta coal would be lower by lake and rail than it would be by all-rail.

Q. And if there were a proper handling equipment.—A. It could be lowered still.

By Mr. Howden:

Q. And with increased volume of output it could be lowered still.—A. I doubt that. I understand the present quoted price of Drumheller for Ontario use is \$3. I don't think it could be less with the present wage scale.

By Mr. Gershaw:

Q. About this machinery, have you in mind any particular type or style of machinery, or can you tell us whether any such installed machinery is actually in operation?—A. No, I have not any particular type in mind, but at many of the leading coal ports they have machinery of that kind where they handle domestic fuel.

Q. That is, machinery that has been proven to be efficient, that has stood the test of time?—A. Yes sir. It is common practice in Great Britain.

Q. It is shore machinery.—A. Yes.

Q. It is not the kind they have in Montreal harbour.—A. No; that is for unloading, and unloading steam coal, and it is a good plant.

Q. Could you give us an idea of the cost of installing it?—A. No.

By Mr. Bury:

Q. I understand that the special equipment conceived as being put in operation at Fort William would be to handle domestic lignite coal.—A. If it were done.

[Mr. James Doucill.]

Q. And it would have to be of special type, and you think that the good lignite then could be handled without any degradation?—A. Oh, there would be some breakage, but it could be done.

Q. Are you familiar with the British coals?—A. Yes sir.

Q. The general class of domestic coal in Great Britain is not anthracite?—A. No sir.

Q. For instance, coals that are mined around Lancashire, Wigan, and those mines, and the Dodley mines in Worcestershire, that is not anthracite?—A. No sir.

Q. What is it?—A. Bituminous.

Q. That is handled in large quantities?—A. Yes sir.

Q. And does not break?—A. Oh, it breaks.

Q. I mean it does not break enough to prevent the use of it admirably for domestic coal.—A. No, it is for export. We get Scotch anthracite in Montreal.

Q. I am not talking of anthracite.—A. Scotch anthracite is soft.

By the Chairman:

Q. You are satisfied that Alberta lignite could be handled by lake and rail?—A. Physically, yes.

Q. Economically?—A. I can't say that, because I cannot, as a coal man, and as a salesman, see it.

By Mr. Cantley:

Q. My understanding of your evidence in regard to that is this, that with proper handling facilities at the head of the lakes Alberta coal can be brought into Ontario, rail and lake, for less than it can be brought all-rail.—A. That is it.

By Mr. Howden:

Q. Would it be fair to ask you this question: is there any prospect of your company buying any more Maritime coal?—A. I cannot answer that question, because I do not know. Mr. Britt buys all the steam fuel, and I cannot tell what their requirements are. As I understood it the other day, they are buying all the coal now, except this one division here.

Witness retired.

David Crombie, Transportation Department, Canadian National Railways, called and sworn.

C. S. Gzowski, Chief Engineer of Construction, Canadian National Railways, called and sworn.

James Pringle, Assistant General Superintendent Transportation, Canadian National Railways, called and sworn.

I. V. Smart, Operating Engineer, Canadian National Railways, called and sworn.

Mr. CROMBIE: I would like to bring Mr. Hungerford's apology to the Committee; he was tied up with a special committee on Canadian National Railway affairs.

By the Chairman:

Q. Mr. Crombie, you are the chief of transportation for the Canadian National Railways?—A. Yes.

Q. You are familiar with grades, both east and west on the Canadian National Railways?—A. Yes.

[Mr. D. Crombie.]

By Mr. Bury:

Q. Mr. Crombie, you gave evidence before the select standing committee on Mines and Minerals of the House of Commons, on this subject, in 1923?—A. Yes sir.

Q. In computing your \$9 freight rate from the Alberta coalfields to Ontario to Toronto, I think—I found your figures on page 231 of the evidence, and it strikes me that there is some slight error in your transportation costs; you have the total transportation cost at 166.1, whereas it amounts, according to your own figures to 156.1; am I correct, or is it a misprint in the report? I just want to get that cleaned up first.—A. Item 10, fuel for road locomotives, is in my printed copy here 52.5. That is a misprint; it is 62.5.

Q. Then there is where the trouble comes in; that is a mistake.—A. Here is the copy of the estimate that was put in at that time—62.5.

Q. Now, you gave the committee a statement of the tonnage haul over the different sections of the road from Coalspur to Toronto?—A. Yes sir.

Q. And I have that before me, on page 234 of the Commons report—Coalspur to the main line, 1,750 gross tons; is that right?—A. Yes.

Q. Then main line junction to Edmonton, 2,300 gross tons, and so right on down till you come to Parry Sound and Toronto, 1,900 gross tons; in some of those sections, for instance, the haul from Rivers to Strathcona, goes up to 4,500 gross tons.—A. Yes sir.

Q. Now could you explain all the factors entering into the reason for the hauls being so small in some sections and so large in others?—A. It is 800 tons from the mines up to Coalspur, if you know the territory.

Q. Yes; I am speaking of the 800 gross tons from the coal mine up to Coalspur, where they are assembled.—A. That is up hill, and on a lightly constructed line, as you know, constructed by the Mountain Park people themselves.

Q. What is the mileage of that?—A. That is very short; it does not enter very much into the total. Now, from Coalspur, that is the junction of the different Coalspur branches out to the main line, it is 1,750 tons. The power we use on that construction only permits of 1,750 tons gross tractive effort.

Q. Power means the locomotive?—A. Yes. That would be improved by spending money on the track and putting heavier power on.

Q. You see my whole point; if I can summarize my point it is this; when you say a \$9 rate, that was based on an eighteen hundred ton net track.—A. Yes.

Q. If by any possibility, even with the commital of a fairly considerable amount of money, you could manage to haul 3,000 tons, or even 2,500, the rate would be very, very considerably lower. Is that right?—A. With capital expenditure of that kind we could lower the cost, no doubt about it.

Q. I am saying that; if by any means, even by capital expenditure, we could enable you to pull a twenty-five hundred or three thousand ton train, the freight rate would be considerably reduced; now, what I want to get at is what is necessary to do that?—A. Quite so; we are very sympathetic towards that too.

Q. Because it would benefit the railway; you will get your freight.—A. Yes.

Q. And it is to the benefit of the country.—A. Yes.

Q. And it will be far better for the country to put out a fairly considerable amount of capital expenditure in order to get a permanent coal movement that will bring freight to the railway and population and money to the country, rather than to let it go on as it is; is that right?—A. Quite right; all a matter of relative cost.

Q. Now, can you give us the different factors that enter into that?—A. Because of your question getting beyond the sphere of our present facilities I had to invite Mr. Gzowski to come along; he is an engineer, and perhaps more capable than I am of explaining the expenditure of capital, so Mr. Gzowski will kindly take on the story here.

[Mr. D. Crombie.]

Q. Is there any part of that answer that you can give; for instance, weight of rails, grades, bridges, or anything like that?—A. That is all within the chief engineer's purview I might explain, so that the committee might understand, my responsibilities are to use the means at hand, and out of these facilities we have produced this present cost factor. If that cost factor is to be reduced, as Mr. Bury points out, it involves capital expenditure.

Q. Can we get Mr. Gzowski to answer the question?

Mr. GZOWSKI: I think that a question was directed to know what the factors were to produce the maximum tonnage. First, divide them into two main factors. One is larger power, or larger hauling units. The second main factor is decreased train resistance. Now, decreased train resistance is divided, roughly, into two parts—reduced track resistance and reduced car resistance. Now, the track resistance is reduced by lighter gradients, that is, less rough line, less curvature, stronger track, smoother track, because that offers less wave resistance, meaning easier haul, no snow or ice on the track.

By Mr. Bury:

Q. Before you come on to snow and ice, we are assuming, for the present, a summer movement before the grain starts.—A. Then that automatically eliminates those conditions; and the car resistance is reduced by using larger units and slow speed, and again mild weather; and the power itself has its maximum efficiency at slow speed; that is, the locomotive is the most efficient at slow speed. Now, in order to accomplish those things, the larger power would necessitate stronger track and stronger bridges. How big you are going to take as the power, whether you are going to the maximum as constructed to-day, it should not be done in that way; there should be, of course, an economic study made, having known the given quantity of traffic, to see whether the capital expenditures involved warrant the extreme limit of the power. As a matter of fact, we consider we have suitable power for our particular traffic, as your traffic density increases if there are large train loads to justify the spending of more money not only to buy more equipment, but fix up your roadway so that it will carry that equipment efficiently. Taking the very largest machines used of that kind, they are found on the Virginia railway chiefly; I think this committee have heard more than once of them. I think we all recognize that it is the most efficient freight machine in the world. I have some figures here that you may be interested in referring to a little later. So far as the estimate of the cost of fixing up bridges to carry heavier power is concerned, it is impossible to make any rough estimate; it is a matter of detailed survey of every bridge. So far as the decreased grade is concerned, that again is a question of detailed survey; and again, it would be a question of an economic study to determine whether it would justify itself, because, as a matter of fact, with the exceptions that have been referred to by Mr. Crombie, we have, generally, a very low-gradient line.

By Mr. Cantley:

Q. Let me interrupt for a moment, because we will probably not get back to it; are there any bridge structures that require to be renewed or rebuilt in view of the movement such as Mr. Bury has indicated.—A. Not with our present power. We were talking about what makes for the maximum tonnage.

Q. But I was trying to get at what the facts are to-day, and what would have to be done to meet the conditions he refers to.—A. No; the bridges are all capable of carrying what we call our heaviest power.

Q. Then the bridges are not an element in this proposal.—A. They are not unless you increase the weight of the locomotives; in other words, by bigger and heavier locomotives.

[Mr. G. S. Gzowski.]

By Mr. Bury:

Q. That is what I want to get at.—A. That is what I understood the question was directed towards to learn what was necessary to get the most traffic.

Q. We may eliminate these sections, for instance, Touchwood to Melville, will stand 3,400 tons.

Mr. CROMBIE: Do not let us get that. I want tons of fuel, of gross tons

By Mr. Bury:

Q. Here is what you say—well, the Canadian National Railway official, on page 232 of this report; they give the capacity loads for several divisions.

Mr. CANTLEY: What does the term "capacity load" mean, in your mind?

Mr. CROMBIE: You speak of 1,800 gross tons, Mr. Bury?

Mr. BURY: Yes.

Mr. CROMBIE: We figured on a trifle over 2,700 gross tons as the average there.

Mr. BURY: But the average there will not do, because the strength of the chain is its weakest link.

Mr. CROMBIE: Quite so.

By Mr. Bury:

Q. What I want to get at is, supposing we take our ideal at 3,000, you then can eliminate Biggar to Nutana, Tofield to Wainwright; you may eliminate quite a number of others, but you take a strip from Strathcona to the main line with a capacity of 1,750 tons; how much coal would that represent?

Mr. CROMBIE: Roughly speaking, all the gross ton figures here might be put on the basis of two-thirds contents, one-third tare; so that in that case that would be 1,200 tons of coal in that 1,750 gross ton train.

By Mr. Bury:

Q. Is that gross tons, or net tons?—A. Net tons, 2,000 pounds. When we speak of net we are speaking of contents of the car.

Q. I mean short tons.—A. Quite so.

Q. As you go down this list are you giving us the short-ton coal contents on those divisions?—A. Yes sir. Take that 1,750, and call it roughly 1,200; 1,800 gross would be 1,200 net; 2,300 would be 1,450; 2,000 tons would be 1,200; Tofield to Wainwright, 2,000, would be 1,200. Wainwright to Biggar, 2,300, would be about 1,450; Biggar to Nutana, 3,700 tons, would be roughly 2,500 tons of coal. Nutana to Watrous, 3,250 tons would be 2,100 tons of coal. The next one of 2,800 would be 1,850 tons. Touchwood to Melville, 3,400, would be 2,250.

Mr. CANTLEY: I do not think it is necessary to get into all those figures. I think Mr. Bury, you are under a little misapprehension. When the witness speaks about gross train loads he means the weight of the cars and their load, and roughly the load is two-thirds of the gross.

Mr. BURY: I thought that.

Mr. CROMBIE: What I want to get clear in my mind, and this is where we were a little in doubt when we got your question, if you are saying three thousand tons as your desirable factor, that would mean an increase over present train load of about 66 per cent over our present capacity power.

By Mr. Bury:

Q. In your evidence you took a train of 1,800 tons, and I understood from the evidence that it was 1,800 tons of coal, gross?

[Mr. D. Crombie.]

Mr. CANTLEY: No, it is 1,800 tons, that is the total load.

Mr. BURY: Let me finish what I was saying. The way in which you got your \$9 freight rate was by dividing your 1,800 tons into your total expenditure.

Mr. CROMBIE: Yes.

Mr. BURY: That must have been 1,800 tons of coal?

Mr. CROMBIE: Yes.

Mr. BURY: Not 1,800 tons of coal plus cars?

Mr. CROMBIE: No.

By Mr. Bury:

Q. Your 1,800 tons, that you are dealing with to get that \$9 rate, is 1,800 tons of pure coal?—A. Yes, of 2,000 pounds.

Q. And those are net tons?—A. Yes.

Q. Your figures do not show anything more than 1,750 down to Coalspur? —A. The other side.

Q. Of coal?—A. Coal.

Q. How then did you come to 1,800 ton coal weight?—A. Because as we come east we get a heavier load and we are taking the average of all the subdivisions.

Q. Then did you collect your coal at average points, middle points, like, and then make a longer haul, or bigger haul? —A. No. we take on each sub-division that is mentioned here, the actual contents of coal for each sub-division; the total of all of those sub-divisions and divide them by the number of sub-divisions and we get the average content of weight there of 1,800 tons of coal.

Q. That does not answer my point; in order to use the arithmetical computation you followed, you could not carry a 1,200-ton train of coal right through from Coalspur?—A. No.

Q. To Toronto?—A. No.

Q. You would have to carry that to an average point and then make the larger train in order to get your average tonnage?—A. Quite so.

Q. Your average haul?—A. Yes.

Q. And you did that?—A. Yes.

Q. I understand that there were not, in other words, trains run straight through?—A. No; but on every subdivision a full load for that subdivision was carried.

Q. If you could focus your attention on those subdivisions where you are weak in your coal haul you would be able to haul a train right through?

Mr. GZOWSKI: There is no object in that.

Mr. BURY: Why not?

Mr. GZOWSKI: And it will not be worth while. You might have somewhere in your railroad, in the middle of it, a subdivision that only permits half the trainload and it would never pay in the world to try to bring that grade down so it would be equal to them all. A train is not operated like a boat that starts out with its full tonnage and arrives at its destination with the full tonnage; a railway is operated from one subdivision to another, or, in other words, an engine division. Everything that can be hauled over that new engine division is loaded on to the train and taken, and in Mr. Crombie's figures, which I do not think you understand, although he had only 1,850 tons of coal to move when he moved that theoretical train of his, he could put on 4,000 odd tons; 4,000 tons went with the train he was computing.

By Mr. Bury:

Q. Yes, I know it did.

Mr. GZOWSKI (answering): A. And you would not gain anything to have a subdivision just back of that, that might only take 1,200 tons; you would gain

nothing at all to spend huge sums of money to try to reduce a subdivision to a point where you could haul the same kind of train right through.

Q. Of course, that is quite true; that is all quite true. That is to say, there may be some districts where the physical conditions are such, where the topographical conditions are such as would not permit you to lower the conditions to such a point where you could haul a heavy weight. I understand that. I understood from the other witness before the Commons Committee that the most economical way to tranship coal was in full trains without stop or break right through?—A. I think that is probably ideal.

Mr. CROMBIE: That is ideal.

The WITNESS: But it has never obtained anywhere for any length at all.

Mr. BURY: But the point is this: While it is an ideal condition, there are subdivisions from Alberta to Ontario where it would be too expensive to realize this ideal.

Mr. CROMBIE: That is it; there would be a division come into it which would upset that.

The WITNESS: It so happens.

By the Chairman:

Q. As a matter of fact, there are very few railroads in America that do it?

Mr. CROMBIE: There are none.

The WITNESS: It so happens.

By Mr. Bury:

Q. They run them in the States?—A. No sir.

Mr. CROMBIE: I do not know of any in the States.

Mr. BURY: Virginia.

The WITNESS: Each subdivision or engine run must have exactly the same grades and that is, you might say, for any distance physically impossible.

By Mr. Bury:

Q. So long as each division is able to carry our ideal trainload?—A. No sir, that would be uneconomical. If the railroad was capable of greater capacity it would be wasteful not to put the extra tonnage on it.

By the Chairman:

Q. The capacity is put on every road?—A. A railroad is operated in engine runs and the capacity, wherever there is business for it, goes on the train.

By Mr. Bury:

Q. Mr. Crombie, can you specify in respect to those divisions which are weak in their capacity for haulage, what could be done to improve them?

Mr. CROMBIE: If you will glance down there you will see that, as you first expressed it, they are fairly uniform; that is, they run 3,000 tons, 3,000 tons, 3,300 tons, 3,000 tons, 3,300 tons; very little variation you see, till you get away up near the coal country. Now to get to your factor, which would mean 4,500 gross ton train, you see, it means re-building everything. We have only one subdivision at the moment that can handle that, and that is the one from Rivers into Winnipeg.

The WITNESS: That is downhill, that is why that is.

Mr. BURY: What is necessary to raise your average train haul from 1,800 tons to, say, 3,000?

Mr. CROMBIE: That is what Mr. Gzowski was explaining to you, heavier rails and changing of the grade.

[Mr. D. Crombie.]

Mr. BURY: The changing of the grade comes in this list.

Mr. GZOWSKI: Of course, it would be impossible to say, without very close detailed survey, but I do not believe that it would be warranted; probably any expenditures for the reduction in the grades, with the exception of one or two spots. For instance, at Parry Sound, we have a grade going down into the town and out again; that limits the loading in the southbound direction there. There have been studies made at various times of the cost of taking that out, but it has never been felt justified. With that exception and with the exception of the spurs into the coal mines themselves, it is very doubtful whether you would find that it would be economically sound to spend any more money in getting your reduced grades.

By Mr. Bury:

Q. Even on the few of these divisions up to Biggar, from Biggar on?—A. They are largely down grade, that is the reason they look so good there.

Q. It does not matter why they are good; they are good now?—A. Yes.

Q. We are not concerned with the reasons, but we are concerned with the effect. The effect is that we have coal in large quantities coming down those grades. Take the division prior to that, west of that, from Coal Spur to Biggar; the difference is not very big. Surely it would be possible to investigate those different divisions and find out just exactly what is involved, what would be involved in bringing up the ability of these divisions to, say, the standard of the division from Biggar to Nutana?—A. As a matter of fact, Mr. Bury, it is the topography that makes the difference, generally speaking. After you come to Coal Spur mainline junction, from there to Toronto, with the exception of Parry Sound, we have what we call four-tenths of one per cent compensated grade. That is the maximum grade against eastbound loads. It may so happen, and it does in some of these, as you see, that there is no grade and therefore you have either a level or down hill grade in the eastbound direction. Of course, when you turned around and were going west over that same subdivision, it would have the same four-tenths. It is possible to have railroads built, perhaps, at less than four-tenths of one per cent, but that is only a rise of compensation, a curvature of only fourteen or fifteen feet of rise to a mile, and it is almost impossible to get over any country at all with anything less than that. There are certain sections where it may be done, that is in one direction, or the other, and, as a matter of fact, three-tenths is considered the very lowest ideal, because that is what is known as a rolling grade, and the frictional resistance on a three-tenths grade is equivalent to the frictional resistance on the level. It is considered of absolutely no object to spend any money to get your gradients lower than three-tenths of one per cent. You may have in one division topographical grades that offer no resistance, grades that are either level or middling down hill. You could not, I suppose, on some of these subdivisions, reduce it below four-tenths; it is very unlikely.

Q. Are there any of these subdivisions which owe the present size of their freight haul to any particular spot?—A. Yes sir, there would be.

Q. Those are the things I want to get at. For instance, take from the mainline junction to Edmonton, that is 2,300 tons; take from Edmonton to Tofield, 2,000 tons. Are there any spots in that run from Edmonton to Tofield, for instance, which might, by improvement raise that haul of 2,000 tons? Are the conditions the same all through so that if you were to improve it, you would have to improve the whole stretch?—A. No it is not likely. It is rarely that happens.

Q. Rarely what?—A. It is a rare event that you would have to change every mile of a subdivision in order to decrease its grading—that is what we seem to be talking about. This would be possible: take that subdivision, leave the grades as they are, increase the strength of the tracks and the bridges, put

on bigger locomotives to be assigned entirely to that subdivision and thereby bring it up to the equivalent of one that had not as great a grade; in some particular division that would be possible.

Q. Would it be possible to do that now, for instance, from the mainline to Coal Spur right down to Biggar where you get the good grades?—A. Oh yes, it would be.

By Mr. Gershaw:

Q. Would it be economical to do it?—A. Until we make a detailed survey of it, and then an economical study with the factors that you have to bring in—

Q. In a general way, on a short stretch of road, it would not be economical?—A. No. It is not considered good practice to pick out some particular subdivision and on it put power that only can be used there. That is only done in very special cases because then you lose the flexibility of your equipment. If you assign some heavy power that cannot be used on the rest of the road. That means it would probably not be economical at all.

By Mr. Howden:

Q. If it were put up to you to find a means of lowering the cost of western coal in Ontario, would you commence by that means, of lowering the grades and increasing the power?—A. I do not suppose there would be very much grade in the question because, after all, when you have located a railroad to four-tenths gradient, and taken a lot of time and money to find the route, it is very unlikely you are going to get any improvement on it, any material improvement on it.

Q. The road at the present time meets its demands?—A. Only one train a day would never justify spending any more capital money on the roadway.

Q. The road at the present time meets its demands?—A. Oh, yes.

By the Chairman:

Q. In other words, this is the most economical grading you know of for the present existing conditions?—A. Yes, and I would go further than that. I do not think the grades on our mainline will ever be improved with the exception of between here and Toronto, where they are heavier than they are out on the Prairies.

By Mr. Bury:

Q. But that question of whether the road economically meets its present conditions is based upon the road—supposing that the big grain development had not taken place in the west, a very poor road might have economically met its present conditions. If you had a coal movement from Alberta of three or four million tons a year, or assume that you have a coal movement from Alberta similar in the summer months to the grain movement in the grain months, that would be a horse of a different colour?—A. Well, even then I do not think there would be any question of trying to reduce the grades.

Q. I am not talking about grades?—A. You might, of course, bring your track structure up.

Q. I do not care how it is done; what I am getting at is this: is it beyond the bounds of possibility in the line from the mainline at Coal Spur down to Biggar, is it beyond the bounds of reasonable possibility, either by altering spots in the grades, or strengthening occasional bridges, or increasing the traction power of your engines, or any other way, to raise the carrying capacity of this division so that it will come to, say, the same as Biggar to Nutana?—A. That is within the bounds of possibility.

Q. Yes, reasonable possibility?

Mr. HOWDEN: You would not advocate that?

By Mr. Bury:

Q. That entirely depends on the amount of coal in the movement?—A. It depends on the amount of traffic; it would have to be a good many times what it is to-day, of course; it would have to be a great many times what it is to-day to justify it.

Mr. BURY: I am assuming a big coal movement, and I would like to find out whether it can be done and what is the cost involved.

Mr. CROMBIE: I made a little rough calculation along the lines you are speaking of there. To bring all of the territory up to that 3,000, 3,100 and 3,300 basis, to change those subdivisions which are below that, it would increase our average for the whole by about 200 tons per train. In other words, you would have 2,000 tons of coal instead of 1,800.

Mr. BURY: You would have 2,000 tons instead of 1,800?

Mr. CROMBIE: Yes. You see, again 3,000 gross tons means 2,000 net tons. To bring those other subdivisions up would have the effect on the total haul of about 200 tons.

Mr. BURY: You mean to say you would get an average train of 2,000 tons right through instead of 1,800?

Mr. CROMBIE: Yes.

By Mr. Gershaw:

Q. We are trying to investigate the dependability of the coal supply, and particularly delivery and cost, it is largely a matter of cost. Of course, if we had a big tonnage to move certain railroad changes might need to be made. Now, just in a general way, what do you think would be required, what do you think would be the most feasible way of reducing the cost of delivery of that coal with the idea of getting a larger amount?—A. Well, if there was sufficient business to warrant it, I think that the first thing would be to probably increase the track structure in strength, and then put on larger units.

Q. That is heavier rails?—A. Yes, and perhaps to put on sufficiently large equipment so as to necessitate changes in the bridges. Increase the track structure, the strength of that, so as to be able to put on larger locomotives and haul the coal in larger units. Of course you would have to make an economical study because instantly you set up a fixed charge against that particular business, if you are installing equipment for that, you have the fixed charge of what ever it may be, of that equipment.

By Mr. Bury:

Q. Would it be fair to say—we cannot ask you to give a clear and definite answer now—but supposing this question were put to you: could you give us a statement as to what would be involved in putting the line and road, rolling stock and locomotives in such condition as to be able to draw an average train of 2,500 tons of coal?—A. One a day?

Q. I do not care about to-day?—A. I meant one train a day of that quantity. I mean to say, I could not recommend any expenditure if it was only one train a day.

Q. No, on a big coal movement. Don't you see what I am getting at is this: if you were in position to say—leave out the question of what the amount is—if you were in position to say it would cost so much to bring the line and rolling stock and the locomotives into position to bring a 2,500 ton train of coal from Alberta to Ontario, when we have got what it costs we can then consider the amount of movement that would be necessary to justify that and we would be then able to consider whether that movement is possible. That is what I want to get at?—A. You mean 2,500 over every division?

[Mr. D. Crombie.]

Q. Yes. Give it to us on the same basis as your 1,800 tons. What would it amount to to carry an average of 2,500 the same way as you are giving your average of 1,800 tons? Is not that clear?—A. I cannot see where—

Q. I am not asking you for it now?—A. No. What I was going to say was this: I cannot see where it can be done in an offhand way, that is without having to go on the ground and make detailed surveys.

Mr. CROMBIE: You see, you get to this point of grades, and that is what the contours of this country lend themselves to. It is, you might say, an almost physical impossibility to get a trainload of 2,500 tons of coal on that .4 grade. You have got to rebuild all your structure, and you are getting into a tremendous weight and power.

Mr. BURY: You do not get an 1,800-ton train over all these because in some cases you only get 1,200 tons and 1,450 tons. I am not asking for 2,500 tons over each division, I am asking for 2,500 average; that is all I am asking for.

Mr. CROMBIE: In order to get that, we have got to raise the capacity practically 50 per cent; 2,700 would be 50 per cent. That is getting into a tremendous weight and power, and at the present time from Biggar, practically all the way to Toronto, you have got that right now.

Mr. BURY: Surely; that is what I mean; it is only a small section of road that would be affected.

Mr. CROMBIE: You do not follow me there. You have got that right now to the point where we are only handling 1,800 now; you have got to raise the whole thing through to Toronto to, by any possible means, get it up to the 2,500.

Mr. BURY: I do not understand that, because if the best part of the road, the part of the road from Nutana on is only handling 1,800, and the westward part is not handling more than 1,200 or 1,400, how do you get an average of 1,800? You must have been carrying more than 1,800 if 1,800 was your average.

Mr. CROMBIE: Sure we were. Don't you see we were carrying 2,000 and 2,100?

Mr. BURY: Precisely.

Mr. CROMBIE: And to bring it all up to that standard, in order to increase it from 1,800 to 2,000—now you are trying to go to 2,500. 2,500 does not mean improving a small part of it, but it means improving the whole of it. You have got to go away up; we are really getting out of reach, that is about the size of it.

Mr. ARMSTRONG: You could go to 2,000?

Mr. CROMBIE: Yes sir, by changing those divisions which are below standard.

The CHAIRMAN: That would only be an increase of 200 tons.

Mr. CROMBIE: 200 tons.

Mr. ARMSTRONG: Can you make a comparison between the amount that you carry, say that 2,000 tons, with what the C.P.R. can do over a similar route?

Mr. CROMBIE: No, I do not know their condition. All I know is their performance. Their performance is slightly less train loading than ours for last year.

Mr. ARMSTRONG: Slightly less over that same territory?

Mr. CROMBIE: I am speaking of the whole system; I have not any detailed figures at all.

Mr. HOWDEN: Under present conditions, it is hardly an expeditious move to contemplate.

[Mr. D. Crombie.]

Mr. CROMBIE: I am sorry to say it is not. It would mean an intensive study which would show you a capital cost that I am afraid would throw it right out of court.

Mr. HOWDEN: The cost of it would be so stupendous?

Mr. CROMBIE: Yes.

Mr. BURY: With that in view, Mr. Crombie, the question of the size of the boxcars occurs. At the present you are giving your maximum haul with your present box cars?

Mr. CROMBIE: No, we have a lot of 40-ton cars which we could put into that service, and be glad to put them in, but they do not want them.

By Mr. Bury:

Q. You could not carry any more than 1,800 tons?—Mr. CROMBIE (Answering): It would increase it slightly, very slightly. You have to build a heavier car to carry a heavier load.

Q. Are you not carrying the maximum coal load now?—A. Carrying an average of 36 tons, yes sir. That is all those cars will carry and that is all they want.

Q. Can you increase your actual coal haul by improved box cars at all?—A. We have them now if they will take them, we could improve them slightly if they will take them.

Q. What could you do to the volume of coal?—A. In this specific movement instead of 36 tons we could handle 44 tons.

Q. Would that have any effect on the gross tonnage of coal hauled by the train?—A. Very little.

Mr. GZOWSKI: A little bit because a large tonnage car has less train resistance per ton than a small one, and that is where the advantage would come in the train load.

Mr. BURY: And is the ratio of coal to car less in the large car?

Mr. GZOWSKI: Yes.

By Mr. Bury:

Q. In your estimate you give us 100 per cent for the returned empties?—A. Yes.

Q. Is not that a little bit hard? Don't you take more back, more returned empties? Cannot you, for instance, add a very considerable amount and take a larger number of box cars when they are empty?—A. Fifty per cent of every train, you might say, is empty cars, going back. There is not enough tonnage going back to do anything with those.

Q. I do not perhaps get your point. How many box cars would there be in the 1,800 ton train?—A. There would be about 50 cars.

Q. All right; could not you take 75 cars back empty?—A. Oh yes, but the equipment must balance; whatever comes east goes west.

Q. And you have got to take 50 empty cars back, you could not increase your westward haul?

Mr. HOWDEN: If you will ask the witness this: does he deadhead his engines back?

Mr. BURY: I know that, I understand that.

Mr. HOWDEN: They have got to pull something.

Mr. BURY: I understand that. What I want to know is why he charges 100 per cent.

By Mr. Armstrong:

Q. I understand that a \$9 rate is the minimum rate for coal to the east?—A. That is the absolute minimum, the out-of-pocket cost.

[Mr. D. Crombie.]

Q. Could you not carry coal from the mines to the head of the Lakes at a proportionate rate of that cost?—A. Quite so.

Q. That is to say, \$5.40?—A. This is the actual cost figure, and of course a lesser distance a lesser cost, quite so.

Q. Your facilities in the west, at Port Arthur and Fort William would be quite equal to a larger volume?—A. We would be glad to have it.

By Mr. Howden:

Q. Might I ask one question that I have been asking everybody. From your knowledge of the coal business could you suggest anything with regard to the handling of coal which would expedite the matter and lessen the cost? I mean to say with regard to the handling of coal in the west, or where it is trans-shipped anywhere else, do you think anything is likely in the way of apparatus—

Mr. ARMSTRONG: By lake end rail, or have you considered the question from a lake end rail standpoint?

The WITNESS: I have given no consideration at all to lake and rail.

Mr. HOWDEN: I thought perhaps you would have some idea with regard to loading it.

By Mr. Garland:

Q. One of our witnesses, a Mr. Buchanan, at our last meeting stated at Page 129 of the evidence in answer to Mr. Bury. Mr. Bury's question was:

“Q. You mean to tell me the box cars were only half full?—A. The capacity of the car is probably 30,000 pounds, or in some cases 40,000 pounds—I think he meant something different—they load it to the capacity of the car. When they take an old car that was unfit for grain, which would naturally be small cars, and poor cars, they would not want to overload it.

Q. You think they were only loaded to half capacity?

The CHAIRMAN: Full capacity.

The WITNESS: Full capacity, but you would not fill them to the roof; if it was oats—”

A. I would give you the same information we gave you before; our average contents with that coal is 36 tons.

Q. The average is 36?—A. 36 tons, that means they are loaded to full capacity.

Q. But you have cars that will carry more than 36 tons?—A. We have 40 ton cars that are not in that service, but which could be put in that service if it was found desirable to do so, but the shippers do not like them and do not ask for them.

Q. Some witness gave evidence to the effect that there were 30,000 box cars, suitable for coal but not suitable for grain, standing around on sidings in western Canada?—A. The total number of box cars we have in the west is 36,000, and we are moving a lot of grain. He has probably got a cipher too many.

Q. He included, I presume, all the box cars, both C.N.R. and C.P.R.?—A. I do not know about them, but we have only 36,000 box cars in the west.

Q. Would you, of your own knowledge, be willing to state that the total number of box cars on all lines out of repairs, unfit for grain, would not exceed 12,000?—A. I would be quite safe in saying it, although I do not know the C.P.R. figures.

Q. As to your returning the empties. You stated that you had to take back the same number as you brought?—A. We have to keep them balanced.

[Mr. D. Crombie.]

Q. There is no doubt that is quite true. It does not cost you the same amount to take back an empty train, deadheading an engine or two, as it would to take down a full train with full steam?—A. The difference is in the fuel consumption. The wages and everything else will be just the same.

Q. Don't you ever move crews without pay?—A. Without pay, oh no.

Q. I am not anxious that you should, by no means; I was just wanting to make sure whether it is being done? You say the only difference between a train loaded and a train light is the coal consumption?—A. The coal burned, yes.

Q. What does that amount to, practically? That is the crux of the whole thing, as I see it.—A. 134 pounds of coal for these cars ten miles, it does not matter whether it is loaded or empty. If the train is lighter you are burning less.

Q. You have 1,000 cars empty to bring east; suppose those cars were loaded to capacity, what is the increased cost of fuel?—A. For a train loaded as against an empty, about double, I should say, because you have got to double the gross tons in there. You had better let me give you an answer more correctly.

Q. You are eliminating practically everything except the fuel burned?—A. Yes.

Q. Possibly a little water evaporated.

Mr. PRINGLE: We did not take the water into consideration.

Mr. CANTLEY: If you can give us an approximate figure on that I would like to get it.

Mr. CROMBIE: I will do that.

By Mr. Armstrong:

Q. Have you any figures on the carriage of coal on the inland lakes?—A. I am not familiar with the water transportation at all.

The CHAIRMAN: Mr. Gzowski, you have a statement.

Mr. GZOWSKI: Here is a statement that might be helpful. It selects 19 roads in the United States, all coal-handling roads, and divided into handling west and eastern bituminous and central bituminous. It is compiled for the year 1924, from the Interstate Commerce Commissions figures. The 1925 figures are not out; these are the latest. One of the items which is naturally of interest is the figure of operating expenses per ton mile. On running through them you find the Virginia Railway is the most economical, handles their tonnage considerably less than any other of the 19. In fact, it is the most economical freight-handling machine in the United States, and that figure is 3.79 mills per net ton mile.

By Mr. Cantley:

Q. What is the length of the haul?—A. There is a little over 400.

Q. What is the average train load—I mean the coal carried, roughly.—A. I have not their average train load.

Q. You know, your own knowledge, what it is.—A. I think it is around 4,000 tons.

Q. Gross?—A. No; that is the coal. That rate of 3.79 mills applied to the 2.126 miles, which is the average distance which I think you used before, gave 8.05 per ton mile for that distance. That is exactly what it would have cost the Virginia Railway on that basis of the ton mile cost.

By Mr. Bury:

Q. That is the same basis as your \$9 rate?—A. No, the \$9 did not include all the cost. This includes all their costs. The Virginia Railway during 1924 paid 2.22 per ton for the coal they used for their consumption in loco-

[Mr. Crombie, Mr. Gzowski.]

motives. On the Western region of the Canadian National Railway the average price paid for coal during 1924 was 5.38. Now, if we equate the price that the Canadian National Western region paid for coal, to the Virginia, instead of being 3.79 mills it would have been 4.34 mills. In other words, if the Virginia Railway had had to pay the same price for their own coal as the Canadian National western lines did for that 2,126 miles, it would have been 9.22; that would have been their actual cost. In taking the average cost per net ton mile of the Virginia Railway it must be remembered that their freight business consisted of 92 per cent of hauling coal, so that, roughly speaking, you can say it is doing nothing but hauling coal in huge train-load lots—a special machine. That machine cost \$262,740 per mile; that is the capital amount of the investment.

By Mr. Armstrong:

Q. The railway you refer to in hauling Virginia coal runs through a thickly peopled part of the country, and the cost of upkeep and all the rest would be much greater than it would be on yours.—A. You mean on account of the density of traffic?

Q. The density of traffic.—A. Of course it is always considered the reverse—that the greater the density of the traffic you have, the more economically you can handle your product per ton.

Q. But this is not the passenger traffic, this is freight.—The passenger figures are eliminated entirely from this. These are entirely freight figures given by the Interstate Commerce Commission.

By Mr. Cantley:

Q. In proportion to the cost of coal, are the wages practically the same in the United States?—A. Substantially.

Q. The fuel only is different?—A. Yes, and of course they have a summer condition of operation all the time, which we do not enjoy at all. This was taking the actual cost of this very best freight machine that is known. There is no figure that is any way comparable to it at all.

Mr. CROMBIE: If we reproduced the Virginia Railway here we would need to have immense capital expenditure and put in the Virginia machine, and if we had to pay the same price for our coal, it would have cost us 9.70.

By Mr. Armstrong:

Q. Have you any idea of the number of cars of coal handled by the trains in that load?—A. Yes, they handle very large trains. After they have moved it a certain distance on the railroad they have a condition of moving it up over the steep pitch and coming to a summit, and then sliding it down-hill. They have very different conditions to use there. The job, after they get it up to the top, is simply to slide it down-hill, and where they have a record train having 16,000 tons in it, their problem was not hauling it, their problem was braking it; they have to have special air-brakes devised to brake this train going down-hill, because there was no hauling to it; it simply slid down-hill. Their problem, if they got such a huge train as that, was to brake it.

Q. We are investigating the carrying of coal by lake and rail, and I understand, Mr. Gzowski, that you are familiar with handling coal from American ports to Canadian ports.—A. I have very little personal knowledge.

Q. You do not know what the cost is for loading and unloading?—A. No.

WITNESSES withdrew.

[Mr. Crombie, Mr. Gzowski.]

FRANCIS TURNER CUTTLE called and sworn.

By the Chairman:

Q. You are representing the Canada Steamship Lines?—A. Yes.

Q. And you are familiar with the sailing conditions on the Great Lakes?—A. Yes.

Q. Have you a statement prepared?—A. No sir, I was just advised in a general way the information that was required. We would be very glad to compile statistics and figures.

By Mr. Armstrong:

Q. I understand you are acquainted with the handling of coal by your ships from American ports to Canadian ports?—A. Yes sir.

Q. Could you give us any general information as to the manner in which you handle that coal, and the cost of loading and unloading?—A. All the coal at American ports is loaded f.o.b. the vessel; we do not pay the loading charges into our steamers at American ports.

Q. Have you any idea what the cost would be?—A. No.

By Mr. Cantley:

Q. What port have you in your mind now—Cleveland?—A. There is not so much coal coming out of Cleveland as other Lake Erie ports, that is Lake Erie ports and Lake Ontario ports.

By Mr. Armstrong:

Q. What is the tonnage of the boats that carry the coal?—A. It would range from cargoes of 4,500 tons up to 8,000 and 9,000 tons. We could carry larger cargoes if we put some of the bigger grain boats into that trade.

Q. What are the names of the ports from which you carry that coal, and the names of the ports to which you carry it?—A. Ashtabula and Erie on the Lake Erie end of Lake Erie, and Conneaut, Toledo and Cleveland.

Q. To what points?—A. We carry a lot to Sault St. Marie, and a lot to Fort William, Little Current, Key Harbour, Byng Inlet.

Q. What is the cost of carrying from Sault St. Marie to Port Arthur?—A. It moves from Erie ports to Sault St. Marie, and also moves from Erie ports to Port Arthur. There is no movement of coal from the Soo to Port Arthur.

Q. Well, from Lake Erie ports to Port Arthur?—A. The freight rate runs from 37 to 40 cents per net ton.

Q. Does that include the delivery,—unloading?—A. No.

Q. What is the cost of unloading?—A. I have no knowledge.

By the Chairman:

Q. What is the distance between those two points?—A. 900 miles.

By Mr. Cantley:

Q. You say you have no idea of the cost of unloading your own ships?—A. No. All our tonnage is free in and out. We put her alongside the loading berth, and the tonnage is put into her, and we put her alongside the unloading berth, and she is unloaded.

Q. Have you no idea of the cost of loading and unloading?—A. Where they have quick plants I would say 20 cents a ton.

Q. What despatch do you get at those ports in discharging?—A. What are called quick unloading ports, we can unload 5,000 tons a day.

Q. In 24 hours?—A. Yes.

Q. Do you work 24 hours?—A. It depends on when the boat gets in. If she gets in by 9 o'clock in the morning, they work till they finish.

By Mr. Armstrong:

Q. You operate all season with those boats in the coal trade?—A. Not always; there is not enough coal going westbound to fill our grain boats. When grain rates are low we will take a cargo of coal from Lake Erie back to the head of the lakes. If there is a big demand for grain we send the boats back light.

Q. If you had a definite contract to carry coal from Lake Erie ports to Port Arthur and Fort William, covering the season, could you carry it at the same rate that you are carrying this to-day?—A. That contract that we have covers the season, and we pick it up pretty much as we want. We contract for 500,000 or 200,000 tons and coal is usually available at Erie docks when we are ready to take it westbound on short notice.

Q. On the other hand, would you not be willing to enter into a contract to carry coal from the head of the lakes, say, Port Arthur and Fort William?—A. Certainly.

Q. To Lake Huron, St. Clair, and Lake Erie ports?—A. Certainly.

Q. At the same rate?—A. Oh no.

Q. What rate?—A. The rate eastbound would depend on the grain rate eastbound.

Q. Not necessarily; if you are carrying coal one way why should you not carry the coal back as you would carry grain?—A. We have got to go to the head of the lakes to get our grain cargo, and we might as well take a load of coal back to help defray the cost of transportation. That is the cheapest freight in the world, I think, 37 cents a ton from Erie to the head of the lakes.

Q. What would you consider a fair rate from the head of the lakes, to, say, Lake Erie ports?—A. It would depend entirely on the despatch at the unloading ports.

Q. If suitable unloading facilities were provided at Port Arthur and Fort William, that would unload your boat in a few hours' time, such as these unloading facilities are on Lake Erie, what would you consider a fair rate from the head of the lakes to a Canadian lake port?—A. It would have to compare with about three or three and a half cents grain at the head of the lakes. It would be, roughly, one dollar or a dollar ten net ton.

By the Chairman:

Q. Based on railways?—A. Based on railways from the head of the lakes.

By Mr. Armstrong:

Q. To Lake Erie ports?—A. Yes.

Q. But the American grain boats do not get that rate, do they? How is it that they carry grain so much cheaper than $3\frac{1}{2}$ cents?—A. Because they contract for the annual requirements of the iron ore, and they only come into the grain trade after they have finished their ore contracts, or for an odd trip when there is no ore in sight, and it is a case of taking cheap grain instead of tying up their boat until there is more ore in sight.

Q. If you had an annual contract for carrying coal from the head of the lakes to Lake Erie ports, could you not carry it for less than that?—A. Well, we have not paid dividends out of earnings out of the grain trade.

Q. But you have not been receiving $3\frac{1}{2}$ cents per bushel on grain all the time?—A. No; $2\frac{1}{2}$ to $3\frac{1}{2}$.

Q. Do you not carry it below $2\frac{1}{2}$?—A. Not very much of it.

[Mr. F. T. Cuttle.]

By the Chairman:

Q. What were your rates last season?—A. I think they averaged from 2½ to 3½.

Q. But you did carry grain as cheap as 2½?—A. Yes, sir, in the middle of summer, when grain rates were bad.

By Mr. Armstrong:

Q. You would be prepared to enter into an annual contract to carry coal from the head of the lakes to Lake Huron ports, St. Clair River ports, and Lake Erie ports?—A. We would be very glad.

Q. And at the Lake Erie ports you would be able to deliver the coal at the Canadian docks for a dollar a ton?—A. I think a dollar to a dollar ten a ton would cover that.

Q. You could deliver it cheaper than that, could you not, on Lake Huron ports?—A. Yes.

Q. Such as Goderich, Midland, Owen Sound?—A. Yes, sir.

Q. I should think that that would be a good deal less, would it not?—A. I imagine it would run around 75 cents a ton if there was a sufficient quantity moving.

Q. You would be willing to contract for the carrying of coal from Port Arthur and Fort William to Lake Huron ports such as Midland, Owen Sound and Goderich, and deliver the coal there at 75 cents per ton?—A. I would have to work out those rates, I think that is about what they would figure at, but it depends on the draught of water at the unloading ports. We could not take small cargoes at that rate. If we had an annual contract and good facilities, with large ports and good despatch, I think we could handle it at that.

By the Chairman:

Q. That is alongside?—A. Yes, alongside.

By Mr. Armstrong:

Q. Coming to the St. Clair ports such as Sarnia, Wallaceburg, Windsor, you could deliver it there at less than a dollar a ton?—A. It would be just a little higher than the lake ports.

Q. A little higher than the Lake Huron ports?—A. Yes.

Q. Would you say 80 cents a ton?—A. That would cover it.

Q. Delivered at Sarnia, Wallaceburg and Windsor; have you any idea of the amount of coal you could handle in a season? How much did you handle last year, for instance?—A. We carried 553 thousand tons of coal last year from Lake Ontario and Lake Erie ports, 408,000 went west to Fort William, Byng Inlet, Little Current and Key Harbour, 137,000 came east to Port Stanley, Port Colborne, Wallaceburg, Sarnia, Toronto, Montreal and Quebec.

By Mr. Garland (Bow River):

Q. Where did you get that coal?—A. Most of it from Lake Erie.

Q. What coal was it?—A. All American coal.

By Mr. Howden:

Q. Those rates you have been giving us do not include loading and unloading?—A. No sir. There is a small quantity that includes unloading. We have a small unloading boat where we run into small ports that have no facilities for unloading.

By Mr. Armstrong:

Q. How many tons does that carry?—A. About 2,800 tons, I think, of deep draught, and 2,500 tons through the Welland Canal.

Q. Could that supply the Lake Huron ports?—A. Yes, sir. That boat, with others, we got from the Playfair people, is now operating at Goderich, Midland, and coming through to Kingston.

Q. With those unloading facilities you surely do not think you would make a charge of 20 cents a ton? What would be the cost of unloading?—A. Those are small boats carrying 2,500 tons as against boats of the Haggarty & Westmount type that would carry 12,000 tons. You cannot begin to operate small boats at the same rate as large boats. Those boats make trips every three or four days.

Q. How fast can those self-unloaders unload a 2,500 ton boat?—A. In five hours.

Q. What is the cost of installing self-unloaders such as you use?—A. I am not quite sure. An ordinary grain boat is not adaptable for a self-unloader unless you spend a large amount of money, and then she is not adapted for grain. She is a coal boat entirely once you put a self-unloader apparatus in her.

Q. Can't you equip some of those larger boats with self-unloaders?—A. There are self-unloaders on the American side—large boats that carry from 8,000 to 10,000 tons, I think.

Q. They work satisfactorily?—A. Yes.

Q. They can put up at almost any dock and unload the coal as long as the water is deep enough?—A. There are exceptions. If the dock is too high for the unloading gear, you can do it only on the shore. There are some docks we can't unload our present self-unloading boats at.

Q. You would have no trouble in unloading in all those ports on Lake Huron?—A. Well, they have shore equipment at present. We can unload at some docks; I am not sure which ones.

Q. Sarnie and Wallaceburg and Windsor, you could unload?—A. I think so.

By Mr. Cantley:

Q. What is the cost of freighting American coal from the American docks to Montreal?—A. Lake Erie ports—Erie—Ashtabula—runs \$1.30 to \$1.40 a ton. West of Ashtabula it would run \$1.50 to \$1.60.

Q. Does that include discharges?—A. No sir.

Q. What is the cost of discharge?—A. I should say from 25 cents to 35 cents a ton.

Q. That is to say \$1.60 includes discharge?—A. That is from the lower end of Lake Erie. Further west it runs higher.

Q. Have you had any experience in moving Cape Breton coal west through the Lakes?—A. The only experience I have had personally was about 12 or 14 years ago. We had a barge proposition from Montreal to Cornwall, the starch company and the paper company there.

By the Chairman:

Q. One moment before you go. You made a statement a moment ago that you had handled 553,000 tons last year; 490,000 went west?

Mr. GARLAND: 416.

The CHAIRMAN: We have the figures here 408,000, which makes a total of 617.

The WITNESS: 408 and 137.

By Mr. Armstrong:

Q. I asked Mr. Cuttle a question but I did not get an answer. That was the cost of unloading machinery?—A. That is difficult to say. These boats were built as self-unloaders, and to install unloading machinery you would have to put false bottoms in the boats.

The Committee adjourned till 11 a.m., June 9th.

[Mr. F. T. Cuttle.]

ADDENDA

Letter and Statistics—Submitted by Mr. R. C. Vaughan.

Statement showing Freight Operating Results of U.S. Anthracite and Bituminous Coal Carriers, Canadian National Railways.—Submitted by Mr. C. S. Gzowski, Chief Engineer of Construction, Canadian National Railways.

CANADIAN NATIONAL RAILWAYS
Purchasing and Stores Departments
B.

At OTTAWA, 2nd June, 1926.

Mr. V. CLOUTIER,
Clerk of the Committee on Coal Resources of Canada,
House of Commons,
Ottawa, Ont.

DEAR SIR: -I advised the Committee that I would give them some information as to our approximate annual consumption of coal distributed by Regions. When I appeared before the Committee, I dealt only with the coal used by us on our Canadian Lines. You will appreciate that we have a substantial mileage in the United States, but I took it that the Committee were probably interested in extending the use of Canadian coal in Canada, and therefore, I confined my remarks largely to our coal consumption in Canada. As I explained to the Committee, I could give figures for years back showing the Canadian and American coal used on our lines, but these figures, in many cases, do not represent a true picture, because, as I pointed out, there was a strike in the mines of the British Empire Steel Corporation last year, which made it necessary for us to buy several hundred thousand tons of American coal, which, in the ordinary course of events, would have come from Nova Scotia.

In 1924 there was a strike in the Alberta mines for the best part of the year, and that made it necessary for us to bring in larger quantities of American coal through Port Arthur and Fort William than would otherwise have been the case.

I have, therefore, taken a normal year, which we might call this year, and I attach two statements, one showing our approximate annual consumption this year for all lines, including those in the United States, divided by Regions as between Canadian and American coal, and the other dealing with coal for our lines in Canada only. These statements represent what we are working to. The situation may vary a little this year, but the figures, I think, will be approximately correct.

When I appeared before the Committee, I was asked what haulage charge we added to our own coal, and I said that we had used $\frac{1}{2}$ cent per ton per mile in connection with arriving at the cost of Canadian and American coal at certain points. That $\frac{1}{2}$ cent per ton per mile does not represent the actual cost to the Railway, as, in most cases, our costs are higher than that, but we took that figure for comparative purposes, and added it to both the cost of American coal at the point where it reaches our line and the cost of Canadian coal, so that we would have a reasonably fair picture of the situation.

The map submitted shows that we are using coal from the Maritime Provinces as far west as Brockville, Ont., Ottawa, Ont., and Cochrane, Ont., and we are using coal from Alberta east to, and including, Winnipeg, leaving the territory in between to be taken care of by coal imported from the United States.

Our next Divisional Point west of Brockville is Belleville, where we use about 75,000 tons of coal per annum. If we extended the use of Canadian coal to Belleville, our loss, as compared with the American price, would be about \$1 per ton. At Lindsay we use about 40,000 tons of coal per annum, and if we extended the use of Canadian coal to that place, our loss would be \$1.28 per ton. If we extended the use of Western Canadian coal one Divisional Point east of Winnipeg, that is, Redditt on the Transcontinental Railway, 129 miles from Winnipeg, our loss would be \$2.90 per ton as compared with the cost of American coal. The distance to Redditt from the Alberta mines is 1,129 miles and from

Fort William 322 miles. In arriving at these losses, we have figured the cost of haulage as the same in each case from the point where the coal reaches our line, but we have not given any consideration whatever to any difference there may be in the better quality of most of the American coals which we are getting.

It may be interesting to the Committee to know that we use about 325,000 tons of coal per annum at Toronto. This coal is all American coal, and, as I explained to the Committee, the lowest price which we pay to the British Empire Steel Corporation for coal f.o.b. cars, Montreal, is higher than we are able to deliver American coal for at Toronto, after allowing for haulage charges from the Niagara Frontier and including duty.

As pointed out in my evidence, the Canadian coal which we use at Ottawa and Brockville is moved over our lines from Montreal.

Yours truly,

R. C. VAUGHAN,
Vice-President.

CANADIAN NATIONAL RAILWAYS

SUMMARY OF APPROXIMATE ANNUAL COAL CONSUMPTION

—	Atlantic	Central	G.T.W.	Western	System	Per cent
Eastern Canadian Coal.....	705,000	990,000			1,695,000	27.8
Alberta Coal.....				1,529,000	1,529,000	25.1
British Columbia Coal.....				68,000	68,000	1.1
Total Canadian Coal.....	705,000	990,000		1,597,000	3,292,000	54.0
British Coal.....		20,000			20,000	0.3
United States Coal.....		1,605,000	745,000	428,000	2,778,000	45.7
Total.....	705,000	2,615,000	745,000	2,025,000	6,090,000	100.0

All figures are net tons

Ottawa, 2nd June, 1926.

CANADIAN NATIONAL RAILWAYS

SUMMARY OF APPROXIMATE ANNUAL COAL CONSUMPTION ON CANADIAN LINES ONLY

—	Atlantic	Central	Western	System	Per cent
Eastern Canadian Coal.....	705,000	940,000		1,645,000	31.8
Alberta Coal.....			1,529,000	1,529,000	29.4
British Columbia Coal.....			68,000	68,000	1.3
Total Canadian Coal.....	705,000	940,000	1,597,000	3,242,000	62.5
British Coal.....					
United States Coal.....		1,547,000	383,000	1,930,000	37.5
Total.....	705,000	2,487,000	1,980,000	5,172,000	100.0

All figures are net tons

Ottawa, 2nd June, 1926.

CANADIAN NATIONAL RAILWAYS
FREIGHT OPERATING RESULTS OF U. S. ANTHRACITE AND BITUMINOUS COAL CARRIERS—1924
(Submitted by Mr. C. S. Gzowski, Chief Engineer of Construction)

Railroad	1	2	3	4	5	6	Revenue Ton Mile		Optg. Exps. per Ton Mile	Per 2,000 Ton Miles			Price of Fuel per Ton	% of Total C.I. traffic contri- buted by mine Products		Av'ge Haul
							A/C 101	All freight		Total Rev.	Optg. Exps.	Net Rev.				
Anthracite—																
Delaware & Tux's on		30,131,808.81	30,882,339.07	78.3	11,127	3,400,347,451	\$ -0.1103	\$ -0.1127	\$ -0.0883	\$ 22.53	\$ 17.66	\$ 4.88	\$ 3.47		69.7	134.2
New York, Ontario & Western		9,081,827.78	8,023,192.50	88.3	3,965	70,748,123	-0.1120	-0.1146	-0.0102	22.93	20.21	2.68	3.70		75.1	136.5
Delaware, Lackawanna & Western		67,031,004.08	47,933,198.05	71.5	11,108	4,800,524,533	-0.1319	-0.1398	-0.0697	27.93	19.9	8.03	3.96		56.0	170.9
Lehigh Valley		61,979,881.43	50,573,102.36	77.8	11,780	5,729,350,337	-0.1109	-0.1131	-0.0883	22.68	17.66	5.02	3.97		56.2	180.6
Central of New Jersey		43,719,143.97	28,430,014.71	65.0	10,115	2,533,755,987	-0.1672	-0.1672	-0.1725	31.50	22.42	9.08	4.01		52.6	69.4
Reading		79,196,071.38	56,035,558.73	60.8	15,390	9,272,389,000	-0.1243	-0.1263	-0.1893	25.26	17.89	7.40	3.15		63.0	101.3
Total		303,475,945.45	221,877,425.41	73.1	11,891	23,610,864,340	-0.1247	-0.1284	-0.0339	25.08	18.78	6.30				
Eastern Bituminous—																
Chesapeake & Ohio		91,163,802.05	71,033,203.16	75.4	15,523	14,237,551,146	-0.0346	-0.0360	-0.0379	13.20	9.97	3.24	2.00		82.4	245.9
Norfolk & Western		85,925,177.01	59,021,832.61	71.3	15,237	12,130,121,078	-0.0773	-0.0705	-0.0163	11.16	9.3	4.84	2.11		80.1	273.0
Virginian		17,897,711.09	10,916,398.61	61.0	13,223	2,841,012,014	-0.0586	-0.0521	-0.0379	12.42	7.5	4.91	2.22		91.6	337.3
Western Maryland		17,911,331.61	12,511,503.92	69.8	7,305	2,017,687,510	-0.0833	-0.0839	-0.0820	17.78	12.40	5.38	2.14		67.6	134.2
Carolina, Clinchfield & Ohio		7,767,868.71	5,166,624.37	66.5	9,833	1,038,875,793	-0.0746	-0.0748	-0.0197	14.96	9.9	5.02	2.27		72.9	185.5
Total		223,945,891.13	158,562,653.39	70.9	11,487	12,355,250,561	-0.0778	-0.0802	-0.0390	13.81	9.80	4.01				
Central Bituminous—																
Buffalo, Rochester & Pittsburgh		12,867,926.77	11,153,972.29	80.1	7,254	1,479,310,868	-0.0870	-0.0937	-0.0751	18.71	15.03	3.68	2.19		70.5	149.1
Bessemer & Lake Erie		14,093,800.15	10,467,819.81	74.3	21,305	1,893,607,820	-0.0737	-0.0744	-0.0553	11.88	11.03	3.82	2.46		80.3	106.8
Pittsburgh & Lake Erie		27,867,563.75	21,146,066.47	75.8	26,055	2,194,894,207	-0.1237	-0.1270	-0.0473	25.10	19.26	6.14	2.30		68.9	50.2
Wheeling & Lake Erie		17,321,500.96	13,023,207.25	74.8	8,197	1,175,170,453	-0.1019	-0.1173	-0.0882	23.16	17.61	5.82	2.50		55.8	96.9
Hocking Valley		16,239,606.49	12,110,442.65	71.6	18,255	2,259,716,913	-0.0345	-0.0719	-0.0533	14.38	10.72	5.66	1.95		85.5	111.3
Chicago, Indianapolis & Louis- ville		12,992,637.57	9,255,224.51	71.1	4,718	1,071,638,235	-0.1158	-0.1158	-0.0378	21.70	17.54	7.14	2.44		50.9	140.5
Chicago & Eastern Illinois		19,760,487.71	17,155,975.52	87.7	6,133	2,211,994,105	-0.0076	-0.0076	-0.0076	17.85	15.52	2.34	2.67		62.3	165.2
Chicago & Alton		22,354,231.98	17,344,341.23	77.6	6,244	2,182,823,080	-0.0092	-0.0102	-0.0076	20.38	15.90	4.38	2.53		51.9	173.1
Total		144,497,955.38	111,638,069.83	77.3	9,110	14,750,449,775	-0.0946	-0.0980	-0.0757	19.60	15.14	4.46				
Total All Group		671,669,792.96	492,078,148.51	73.3	12,131	70,736,561,676	-0.0921	-0.0950	-0.0396	19.09	13.92	5.08				
Duluth, Massabe & Northern		13,650,574.46	6,843,691.37	50.1	10,611	1,168,543,883	-0.1093	-0.1168	-0.0580	23.25	11.72	11.67	5.12		93.5	71.3
Canadian National Western Region		51,788,771.09	47,167,956.00	91.1	2,093	6,568,829,649	-0.0763	-0.0776	-0.0707	15.52	11.11	1.38	5.39		33.2	575.7

*Reading revenue ton miles estimated.
BUREAU OF STATISTICS,
Montreal, December 12, 1925.

COMMITTEE ROOM 436,

HOUSE OF COMMONS,

WEDNESDAY, June 9th, 1926.

The Special Committee appointed to investigate our present sources of supply of anthracite and bituminous coal, the dependability of such sources and other matters in relation thereto, met at 11 a.m., the Chairman, Mr. Lapierre, presiding.

The CHAIRMAN: I have a letter here from Mr. Godman, which I will read to the Committee:

"DEAR SIR:—The president has received from the secretary of the Special Committee investigating the fuel resources of Canada, a copy of the proceedings of the 4th instant. He finds that his evidence has been incorrectly reported, and on his instructions I telegraphed you to-day that I was sending you by special delivery a corrected copy of his evidence which he requires you to take to Mr. Cloutier, the secretary, to-morrow and see that these corrections are embodied in the official records of these proceedings.

Yours very truly,

(Signed) T. GODMAN,
Secretary to President."

These corrections involve changes in the evidence given and it will be necessary to submit these to the Committee before the corrections are made.

Mr. HOWDEN: We ought to refer to them. Where do they come in?

The CHAIRMAN: Page 106, on the 18th line. It is not a very important change, but the word "routes" should read "roof".

The SECRETARY: That would not be a substantial change.

The CHAIRMAN: "When we get sufficiently far to sea".

Four lines further down: "and long pipe lines, and so forth, so that there is a possibility of maintaining a uniform cost anyway"; "anyway" is deleted.

Mr. HOWDEN: "Anyway" is the next line.

The CHAIRMAN: "Of the increased cost due to the longer haul and maintenance and long pipe lines" and so forth, "and there is a possibility of maintaining a uniform cost". The record reads "price" and it should be "cost". "Price" should be deleted and "cost" inserted.

Mr. CANTLEY: He probably said "price" but he meant "cost".

The CHAIRMAN: "Cost" is what he really meant, but "price" is probably what he said. "Long pipe lines", that remains. Along the same line "we will get the benefits", should read "we will get benefits".

Fifteen lines further down he says: "we paid on Nova Scotia coal", should read "they paid on the railroads on Nova Scotia coal".

Six lines further down: "The difficulty there was, I believe, that contracts had been made for the year".

Mr. BURY: That is all wrong.

The CHAIRMAN: "The difficulty there was, I believe, that contracts had been made for the year." "Slack coal" comes out. I want that correction made first. It should read, "the difficulty there was, I believe, that contracts had been made for the year and had no opportunity to take advantage of it." "Slack coal" comes out, and it continues "had no opportunity to take advantage."

Mr. HOWDEN: It does not make sense.

Mr. CANTLEY: "Slack coal" should not be in there. He is referring to the special rate.

Mr. HOWDEN: He means "the difficulty there was, I believe, that contracts had been made for the year."

The CHAIRMAN: "And had no opportunity to take advantage of it."

Mr. HOWDEN: Who had not?

Mr. MACDONALD (Cape Breton South): The operators, the companies.

Mr. CANTLEY: Surely operator is not confined to one company; any operator.

The CHAIRMAN: Three lines further down there is a whole sentence which should be inserted. A line or so above that, the word "could" should read "should". The line above that the letter "y" should come out of the word "your."

The three last lines on this page are changed to the following sentence: "With respect to coke ovens to use Nova Scotia coal. They would provide an even annual outlet whereas coal requirements for power plants fluctuate based on the industrial conditions of the country. This is not so of coal to make coke for domestic purposes, as —"

Mr. CANTLEY: Mr. Chairman, how many pages are there?

The CHAIRMAN: Just about the same number on the other page.

Mr. CANTLEY: I would suggest that the matter be referred to yourself and the Secretary to make the necessary corrections. All Mr. Wolvin desires to do is to convey sense. In regard to Hansard, we can always go to the room and correct it before the proceedings are printed, but we cannot do so in connection with these proceedings.

FRANCIS TURNER CUTTLE re-called.

By the Chairman:

Q. Have you any further statement to make along the lines you were proceeding yesterday?—A. No, sir.

Mr. ARMSTRONG: Mr. Cantley was examining.

Mr. CANTLEY: I was just looking over the evidence.

By Mr. Armstrong:

Q. I have several questions. What is the lowest rate at which you carried grain from the head of the lakes to Lake Erie ports last year?—A. I think it was two and one half cents a bushel.

Q. We understand, or we hear that grain is carried from the head of the Lakes to Buffalo at as low as a cent and a half, is that not true?—A. We have got a little more going into Buffalo, and also have grain coming into Port Colborne, and it goes from Port Colborne to Montreal.

Q. It is a fact, that grain is carried?—A. I think so, American tonnage.

Q. At a cent and a half a bushel from Port Arthur and Fort William?—A. Yes.

Q. Why cannot coal be carried to Lake Erie ports at that rate?—A. The grain that comes into American Lake Erie ports and American tonnage is carried during the slack season before the new grain crop comes in when there is very little grain and the American tonnage contracts for the cargoes, and they are guaranteed a good crop on the year's operation on the tonnage. There are ports where occasions arise where there are no cars in sight and it is better

[Mr. F. T. Cuttle.]

for them to carry grain and they get a little less, but it pays them to do that rather than tie up the vessels and pay off the crew, and then have to bring back the crew when there is a cargo in sight.

Q. If your company was offered a definite proposition to carry coal during the slack season, you could carry for less than you have stated?—A. We would be always willing to carry at cost or a little better when there was no grain in sight rather than tie up the fleet.

Q. What months are slack months?—A. We do not anticipate any slack season this year.

Q. How many boats have you engaged in the coal and grain carrying trade?—A. Twenty-two large steamers, and I think about sixty smaller ones, canal size.

Q. You said yesterday, your company would be willing to enter into the carrying of coal from Port Arthur and Fort William to Lake Huron ports at 75 cents a ton and 80 cents a ton on the River St. Claire and about a dollar and a half on Lake Erie. Would the cost be much greater to Hamilton and Toronto?—A. Considerably, sir.

Q. For what reason?—A. There is only thirteen feet six inches in the Welland Canal, and the Canal can only accommodate canal size boats, carrying less than 2,000 tons as compared with larger steamers carrying 12,000 at Colborne.

Q. These 12,000 ton boats would not be able to go down through the Canal unless they are lighter?—A. No.

Q. But they will when the new Welland Canal is completed?—A. Yes, that will change the situation entirely.

Q. How many tons would you be able to carry down then?—A. Nineteen feet of water, 10,000 tons, we could carry that.

Q. Ten or twelve thousand tons of coal?—A. Yes.

By Mr. Cantley:

Q. What depth of water?—A. Nineteen feet.

By Mr. MacDonald (Cape Breton South):

Q. When will the Canal be ready for operation?—A. They have told us five years for the past ten years.

By Mr. Armstrong:

Q. We have to get ready for the fuel handling problem. Could you propose any way whereby the condition could be met of handling a berth of coal with your boats without very great expense?—A. Yes, sir, we could quote you on a lot of one cargo, or any given quantity of coal between any given ports. We would have to make mileage charts, and also figure on expenses at the unloading port and the facilities at these ports. That would have to be taken into consideration, and we would have to know what return cargo we could get from the port to the head of the Lakes.

Q. How many ports on Lake Huron and Lake Erie in Canada are equipped with unloading devices?—A. Port Colborne is well equipped and Port Stanley is fairly well equipped.

Q. Sarnia?—A. Yes, fairly well equipped.

Q. Point Edward?—A. We have rather slow unloading facilities there; it is rather slow.

Q. Your own unloading machinery at Point Edward, you say, is slow?—A. Yes. There are some ports on Georgian Bay, at Little Current, Byng Inlet, Goderich, Midland and several others.

Q. Well equipped with unloading machinery?—A. Yes.

Q. You gave an estimate of the cost of unloading at certain points yesterday, would you give an estimate of the cost of unloading with the latest improved machinery? The estimate you gave yesterday seemed to me very different from what we are able to obtain from other sources.—A. That was with the present unloading devices they have at the ports.

Q. With up-to-date unloading machinery what would be the cost?—A. I think they unload at Lake Erie ports for about 8 cents a ton. That is for large cargoes. For less than that I am not sure what the charges are.

Q. You could unload eight or ten thousand tons boats with properly equipped machinery at eight cents per ton?—A. Yes.

Q. Would a two thousand five hundred ton boat be unloaded at about that amount with a self-unloader such as you suggested?—A. I think so.

Q. How soon could you undertake to make a test trip with Alberta coal if it was provided?—A. We could—

Q. During the season?—A. We could quote that inside of two weeks; on two weeks' notice.

By Mr. Howden:

Q. In quoting rates from 75 cents to \$1.10 for Lake Huron and Erie ports, did that include points in Ontario?—A. Lake Erie, Ontario points.

Q. Well, did that amount include discharging from your own boats that are equipped with unloading devices?—A. No.

Q. You would have to make an extra charge?—A. Yes. It depends on the size of the tonnage, and 2,500 tons would not pay.

Q. You would not handle it at all?—A. No, they are not economical on a long trip. It would be better to put large boats which carry 8,000 or 10,000 tons.

Q. The reason I ask the question is that I thought you said yesterday that you probably would use these boats and that that rate would include discharging by the smaller boats.—A. I said, we were using boats at the present time from Lake Erie ports up to Georgian Bay and across to the Canadian side.

Q. Even that does not include discharging; you make an extra fee for discharging?—A. We do not handle discharging at all. The owner of the coal puts it into our boats and unloads it; we just freight it.

Q. Even in the case where you have a boat equipped with an unloading device?—A. Oh, yes, we discharge that cargo.

Q. Then you make an extra charge?—A. No, sir; we quote a freight rate including the discharging.

By the Vice Chairman:

Q. Your freight rate, where you quote a freight rate includes the discharging; and it will, of course, be a higher rate than you would quote for mere freight across?—A. Well, that rate is usually quoted to ports where there is no shore equipment.

Q. I know, but that does not get to the point. Take the case of where you are simply freighting, you naturally would charge a freight rate just for the freighting, the water freight. Now, in using your smaller boats that have self-unloading equipment and do the unloading as well as the freighting, your quotation for the freighting and the unloading would be higher than for the mere freighting?—A. Yes, sir.

The VICE CHAIRMAN: That gets what you want?

Mr. HOWDEN: That is what I want.

[Mr. F. T. Cuttle.]

By the Vice Chairman:

Q. How much?—A. It is not very much higher. Those rates on the self-unloading boats are really based on the time it takes them to make a trip including the time they are unloading.

Mr. HOWDEN: You mean, it is expeditious to use your own unloaders?

By the Vice Chairman:

Q. May I ask this: Mr. Armstrong suggested a test movement by water. From where would this movement come, what would be the best point for that test movement to start?—A. We are carrying coal this year from Lake Erie to Byng Inlet for the Canadian National. If you could arrange with them to bring a cargo of coal to the head of the lakes, we could carry it into Byng Inlet, which has good unloading facilities.

By Mr. Armstrong:

Q. That is near Duluth?—A. Byng Inlet is in the Georgian Bay.

Mr. CANTLEY: I did not hear what you said.

THE VICE CHAIRMAN: I said that Mr. Armstrong had suggested a test movement and I asked from what point he thought the test movement ought to be made and he suggested the head of the lakes and that the coal could be landed at Byng Inlet.

Mr. CANTLEY: You asked him for information regarding discharging, as I understand it, but I did not hear his reply.

Mr. BURY: That was a prior question.

Mr. CANTLEY: I may be mistaken but I thought you were discussing the cost of discharging.

By Mr. Armstrong:

Q. Just while you are on this question of a test, is it not true that there are unloading facilities at Duluth and that Alberta coal could be shipped to that point and delivered by boat as a test?—A. Shipped from Port Arthur to Duluth?

Q. No, shipped from Alberta to Duluth instead of Port Arthur, as a test. There are no facilities at Port Arthur for loading coal on boats but at Duluth. I understand, there is a large unloading plant standing idle, practically, to-day; do you know anything about loading facilities at Duluth?—A. No, I am not acquainted with the coal situation at Duluth.

By the Vice Chairman:

Q. You state then, that the test movement might be from the head of the Lakes; in that case, the loading would be with inefficient machinery?—A. I imagine there must be good loading equipment at Duluth. They ship ore out of there and I think you could use the same equipment for coal.

By Mr. Armstrong:

Q. I understand that one of the latest devices for unloading cars into boats is already equipped and standing idle at Duluth and could be used to advantage in making a test in the carrying of this coal. However, you do not know?—A. You are going to run into quite a bit longer lake haul when the coal comes to Duluth rather than to Fort William.

Q. It is not my intention, of course, that we should make permanent arrangements in regard to carrying coal from Duluth; I am merely making that

[Mr. F. T. Cuttle.]

statement because I am credibly informed at that port there is large unloading machinery capable of filling boats very quickly from the railway, and I thought possibly a test could be made from that port.—A. Yes, sir, it is feasible.

By the Vice Chairman:

Q. And where would you land it from Duluth; where would you suggest it being landed supposing the test movement starts from Duluth, that is, a lake test movement?

Mr. ARMSTRONG: Several points.

The WITNESS: There are several points, Owen Sound—

By the Vice Chairman:

Q. For the test where would you suggest?—A. Byng Inlet.

By Mr. Armstrong:

Q. Or bring it right down.—A. Bring it right down to Midland. The Canadian National use considerable coal at Midland.

Mr. FLEMMING: We are talking about domestic coal, not steam.

By Mr. Cantley:

Q. At what point on the lake front in Ontario have they a modern coal discharging plant?—A. On Lake Erie?

Q. On any of the upper Ontario lake points?

Mr. ARMSTRONG: Lake Huron and Lake Erie.

The WITNESS: Well, they have good plants at Little Current and Byng Inlet.

Mr. CANTLEY: Supposing you take Byng Inlet. Mr. Armstrong's suggestion, as I understand it, is this: that supposing you take advantage of the rapid unloading facilities at Duluth and take advantage of the rapid unloading facilities at the other Bay points you have referred to, what would be the cost of moving coal to those points, simply to demonstrate the advantage gained by rapid loading and rapid discharging?

The VICE CHAIRMAN: And also as to whether the coal will stand the handling.

Mr. ARMSTRONG: The effect on the coal.

The VICE CHAIRMAN: That is one of the important points.

By Mr. Cantley:

Q. Those are the essential points, the time saved in rapid loading and rapid discharging and the result on the coal by handling it in that way?—A. I think the freight rate on that, free and out to the steamer, would be about 75 cents a net ton; it might work out a little lower than that.

Q. The freight rate?—A. Yes sir.

Q. Does that include loading and discharging?—A. No.

Q. Apart from loading and discharging; what would the cost of loading and discharging be?—A. I have no information on the loading costs, we never come in contact with that.

Q. You can judge by other plants of like character, as to what the customary charge is?—A. Unloading?

Q. Without pledging yourself to anything; I mean your opinion?—A. I think about eight cents to load and 20 or 25 cents to unload.

Q. That is a total of 28 to 33 cents?—A. Yes sir.

[Mr. F. T. Cuttle.]

Q. That is practically a dollar then?—A. If eventually there is going to be a large movement from the head of the lakes to Lake Huron and Lake Erie ports, a self-unloader would cost about \$850,000 and would carry about 8,000 tons of coal to Georgian Bay ports under 70 cents a ton, closer to 50 cents.

By Mr. Armstrong:

Q. And load and unload?—A. Load and unload—that is unload, not load. That is guaranteed discharge and a contract throughout the whole season. You could not build a boat of that cost just to put her in for an odd cargo.

Q. What about Midland and Goderich and Owen Sound?—A. These are all considered lake ports.

Q. All considered in that proposition?—A. Yes sir.

Q. And the River St. Clair?—A. That would include down about as far as Point Edward. Below Point Edward there might be a five cent increase in the freight.

Q. Below Point Edward and Lake Erie ports it would be five cents extra?—A. Yes sir.

Q. That would mean around about a dollar a ton for carrying and loading and unloading with these large boats properly equipped?—A. Bring it down.

Q. Or 70 cents?—A. 70 cents; I think it would work out below that.

Mr. FLEMMING: Possibly less.

By Mr. Armstrong:

Q. Just one other question along that line. Providing the Welland Canal was completed and ready to operate, what would, in your estimation, be the extra cost on coal for carrying coal; I mean in relation to what you have already stated, from Lake Erie through the Welland Canal to Hamilton and Toronto?

Mr. CANTLEY: Where?

The WITNESS: To Hamilton and Toronto.

The VICE CHAIRMAN: You mean taken in big boats.

The WITNESS: An additional of about 40 cents a ton.

By Mr. Armstrong:

Q. Have you had any experience in handling—

Mr. GARLAND: He said additional amount?

The WITNESS: Of 40 cents a ton.

By Mr. Garland:

Q. That would be 40 cents on what you have already computed?

Mr. ARMSTRONG: No, 40 on the 70.

The WITNESS: I think I mentioned it would be below 70.

Mr. FLEMMING: He said it is possible down to 50, I understood.

The WITNESS: I think possibly.

By Mr. Cantley:

Q. What is the mileage involved?—A. From the Georgian Bay ports or Hamilton?

Q. That would cover the movement referred to?—A. I am not quite sure of that offhand.

Q. Oh well, roughly?—A. About 1,400 miles the round trip.

[Mr. F. T. Cuttle.]

By Mr. Armstrong:

Q. Just let us get that a little more definite, Mr. Cuttle. As I understand you, you are prepared to enter into a contract with the Government, or some responsible body, to carry coal from the head of the lakes by large boats to Lake Huron ports and Point Edward, and deliver the coal at these points at 50 cents per ton?—A. That is a big contract for me to make, sir; that would require self-unloading steamers capable of carrying eight to ten thousand tons at a cost of \$850,000 apiece, and we have not got those boats yet.

By the Vice Chairman:

Q. You say it could be done provided you had the steamers, that the steamers were there and there was a large movement, a continuous movement?—A. Yes sir.

Q. That it could be done at 50 cents, possibly a little below?—A. Not below 50.

Q. Well, 50 cents; but does that 50 cents include the cost of loading on to the boats at the head of the lakes?—A. No, sir.

By Mr. Armstrong:

Q. But it does the unloading?—A. Yes sir.

By the Vice Chairman:

Q. What would be the cost of loading on to the boat, roughly?

Mr. CANTLEY: 8 cents, he told us.

Mr. ARMSTRONG: Less than that.

By Mr. Cantley:

Q. You have referred to boats fitted with self-discharging apparatus?—A. Yes sir.

Q. Those boats have false bottoms, I presume?—A. They all have their tanks and some of them have a false bottom besides that, or a hopper bottom.

Q. They have got to have some cavity in that bottom so that the coal will run down in it into the conveyor. Won't that cut down the cubic capacity of the vessel very considerably?—A. It adds a little weight to the steamer but the builders figure on getting the depth.

Q. I know; but if the cubic contents of the boat, apart from the flooring and the elevator pit, are taken off the cubic capacity; in other words, the boat must be of bigger registered tonnage if you are going to put self-discharging apparatus in her?—A. Yes sir; she could be built deeper.

Q. You are increasing your registered tonnage by building her deeper?—A. Yes sir.

Q. You are getting nowhere and evading my question; I do not mean you are evading it intentionally, but you are getting around it in another way. Now, here is the point; the practical point I want to put up to you:—this thing has been threshed out before—ore boats have been carried on the continent to carry ore with self-discharging apparatus, such as you propose. Now, the cubic capacity of the boat is not the question there because ore is very heavy and very dense and when the ship is fully loaded, we will say a 10,000-ton boat, her cubic capacity is not more than half full. But take the Nova Scotia coal, for instance; that runs 45 cubic feet to the ton and the boat is more than filled, she won't carry her dead weight unless it is trimmed up to every single available corner in the boat. Now, if we were to have discharging apparatus, such as you refer to, in the boats carrying Cape Breton coal up the St. Lawrence we could not bring up their dead weight capacity because the ships would not hold

[Mr. F. T. Cuttle.]

it due to the amount of space taken off by this discharging apparatus. Won't you find the same thing on the lakes?—A. Not with the present draught of water in the Sault Ste Marie canal.

Mr. CANTLEY: That is getting around my question again. You say with the present draught of water; but if this business is going to be carried on you must have sufficient water to load the boats to capacity or it is not economically feasible to carry on the traffic. I am only just getting around to this: it is my judgment that the boats that have self-discharging apparatus are not going to be successful in the coal carrying trade for the reasons I have outlined, and you have got to depend on shore equipment for rapid loading and rapid discharging.

By Mr. Armstrong:

Q. They are successful, are they not, Mr. Cuttle, in the United States?—A. Yes, sir.

Q. Most successful. Numbers of them are now in operation?—A. Yes, sir.

Mr. CANTLEY: Carrying what?

Mr. ARMSTRONG: Carrying coal.

The VICE CHAIRMAN: What does Mr. Cuttle say about coal?

The WITNESS: I am only familiar with the same size of self-unloader which we have chartered for the entire season, both of them, and they are operating to ports where the shore facilities are not the best. We can get better despatch by putting a self-unloader in there than by leaving a boat three or four days to be unloaded by the shore plant.

By Mr. Armstrong:

Q. How quickly will they unload a boat?—A. We can unload our own boats in five hours, 2,500 tons.

Mr. CANTLEY: For that class of traffic they are all right. What the witness says is this: In going to different ports, here and there, where there are no established, first-class discharging apparatus, it is better to have self-unloaders. But if you are going to maintain the traffic and if you are going to develop the traffic, such as Mr. Armstrong and the rest of us are suggesting, boats of that class will not solve that problem.

The VICE CHAIRMAN: Your point is that even the larger 10,000 ton boats—

Mr. CANTLEY: You must have adequate terminal facilities for rapid discharging, independent of the class of boat you work with. Otherwise you are going to be tied up to a few special type boats. Unless you can take an ordinary freighter and put her into your terminal facilities and make rapid discharge, you cannot get away from that, in my judgment.

Mr. ARMSTRONG: Yes, but Mr. Cantley, how many of these large boats do you know of now operating in the United States in carrying coal with these large unloading facilities?

Mr. CANTLEY: You mean installed on the boat itself?

Mr. ARMSTRONG: Installed on the boat, carrying coal at the present time.

Mr. CANTLEY: I just want to be clear as to what your question is.

Mr. ARMSTRONG: It would astonish you, I think, what is being done with those boats.

The WITNESS: That is a question I cannot answer, offhand.

By Mr. Armstrong:

Q. You know, however, there are a number of them?—A. Oh yes.

[Mr. F. T. Cuttle.]

Q. And they are being most successfully, operated, are they not, Mr. Cuttle?
—A. Yes, sir.

Q. And no trouble whatever at ports unloading?—A. They get better despatch at ports because they never have to wait for other boats to unload.

Q. How far from shore do these boats unload coal?—A. I think—

Q. Generally speaking?—A. —70 feet is about the outside. When they build up a pile I do not think it is over 50 feet to the middle of the pile.

Q. But there is no question in your mind that boats equipped in the manner in which you have stated could successfully carry coal from the head of the lakes to Lakes Huron and Erie ports at the prices you have suggested?

—A. Yes sir.

Mr. GERSHAW: That would be 98 cents.

By Mr. Garland:

Q. What quantity of coal would you require to have a contract for to move at that rate?—A. Well, that would be a question for the directors of the company to decide.

Q. You know how much coal you would have to move without a return cargo to make the transportation pay; you are not going to go into the investment, nor is any other company, for three-quarters of a million dollars for each of your coal boats with self-unloading facilities unless you are assured of a certain tonnage?—A. Yes sir.

Q. What is that tonnage; what must you be assured of before you would accept this?—A. That is difficult to say.

Q. About how much would it be?—A. If we lost that contract after a period of five years we would have that boat on our hands and we could not put it into any other adequate trade.

Q. That is why I am asking the question. Would it be 500,000 tons a year?—A. That is not a large tonnage.

Q. It is not large enough, is it?—A. It is too big for one boat.

Q. Too big for one boat, yes. What would you want; have you any idea at all?—A. If we had a guarantee of half a million tons a year for a period of five or ten years the company might be interested enough to construct a boat.

Q. Five or ten years is quite a spread; can you tighten it up a little?—A. I would prefer not to answer that; it is really up to our present directors to decide a question like that.

Mr. CANTLEY: That is a fair answer.

By Mr. Flemming:

Q. If you had enough coal to keep one boat engaged during the whole season, that could be handled as cheaply by your company as if you had a larger quantity and had to have more boats?—A. Oh yes, just the same.

Q. Could you give us, approximately, the amount that one boat would handle during the season?—A. It depends on your unloading ports.

Mr. FLEMMING: Well, just approximately. We would naturally suppose that you were going to deliver at different points because the consumption would be in various localities so that there would be some different lake points.

By Mr. Armstrong:

Q. At, say, Midland, Owen Sound, Goderich.

Mr. FLEMMING: Point Edward.

By Mr. Armstrong:

Q. Windsor, Port Stanley?—A. One steamer could carry over a quarter of a million tons in a year.

[Mr. F. T. Cuttle.]

Mr. GARLAND: Get him down to that. Would the witness be willing to enter into a contract for a quarter of a million tons a year at the freight rates he quoted?

The VICE CHAIRMAN: He can hardly say that.

The WITNESS: I am not authorized to do that.

The VICE CHAIRMAN: He could hardly say that.

By the Vice Chairman:

Q. But you say one steamer could handle over a quarter of a million tons a year; in what period, give us the period? A. The season of navigation, April 15th to November 30th, or possibly—November 30th is late enough for Lake Ontario ports.

By Mr. Flemming:

Q. And one steamer handling that quantity could be operated by your company practically as cheap as if you had a larger quantity and had to have two or three?—A. Yes sir.

Mr. FLEMMING: We have had evidence submitted here that coal is being carried from American lake points, that would be like Cleveland or Toledo, to the head of the lakes for 30 cents.

Mr. ARMSTRONG: 37 cents.

By Mr. Flemming:

Q. Per ton? Why is it that a higher rate seems to be necessary if coal was to be shipped from Fort William eastward? A. Our main bulk freight traffic is grain from Fort William to Port Colborne and this coal is at Erie Ports and it is profitable to the steamer company at that rate if they want it, and it helps to pay your operating cost back to Fort William.

Q. Now, getting away from that for a moment, would the same thing, the same principle not apply to the handling of coal from Montreal west by the boats that are carrying grain from Port Colborne to Montreal?—A. Yes sir, it would.

By Mr. Howden:

Q. Would it not be just as expeditious to instal improved unloading apparatus at Port Colborne, or one of those Lake Huron ports, as to build the boat that was spoken about?—A. I quite agree with this gentleman, that we are going to eliminate competition if we have the only boat that can handle your traffic.

By Mr. Cantley:

Q. Following up Mr. Flemming's question, you say that boats coming down loaded with grain from the lakes to Montreal could carry coal back. Has any coal been carried back?—A. There is a little Welsh coal due in Montreal in the next few weeks which is destined for Toronto.

Q. That is Welsh anthracite?—A. Welsh anthracite.

Q. Apart from that, has any Lower Provinces coal gone up?—A. I do not think it ever went west of Cornwall, sir.

Q. At what rate could it be carried up, and in what sized boats, in what quantities per ship?—A. We would carry that from Montreal to Toronto in 2,000 ton lots at 70 cents a ton.

Q. Including loading and discharging?—A. No sir.

Q. Outside of loading and discharging?—A. Yes sir.

Q. What would the loading and discharging cost?—A. Loading would be between 25 cents and 40 cents, depending on how it was loaded, and the unloading would be about 25 cents.

Q. Are you familiar with the Scotia pier at Windmill Point?—A. Yes sir.

Q. There they could discharge into your boats from the Cape Breton colliers direct?—A. I think that might bring down the cost of loading. I think they could put the two boats alongside and just transfer.

Q. There would be practically no loading cost there?—A. No sir.

Q. That eliminates that. What do you say the discharging cost would be for Toronto?—A. I think 25 cents a ton.

Q. What are the harbour dues there?—A. I am not sure at Toronto.

Q. Well, there is some evidence here that the amount was 19 cents?—

A. They are heavy in Toronto. We have our own docks at Toronto.

Q. You have your own docks?—A. Yes sir.

Q. In that case do you pay harbour dues?—A. Well, that is out of my department, sir, I am not sure of that.

Q. It is a matter of very considerable importance in this calculation?—

A. Mr. Wattles will answer that question, I think, he is in charge of our—

Q. You really do not know?—A. No sir.

Q. You put the cost of freight, apart from discharging, at 70 cents?—

A. Yes sir.

Q. What is the mileage, roughly, about 300?—A. 330.

Q. Well, 300 by rail, I suppose practically the same by the river?—A. It is a little higher, I think, because you come up by Cape Vincent on the American side.

Q. How long will it take your vessel to come up from Windmill Dock to your discharging point at Toronto?—A. Two and a half days.

Q. Three and a half?—A. Two and a half.

Q. How many locks?—A. About—it depends on whether they have to come up the St. Lawrence canals; at Morrisburg they can go outside sometimes and they go inside other times.

Q. Here is a boat carrying 2,000 tons. What I am trying to get at; how much time is lost in locking and unlocking?—A. Very considerable at the present time with the Ford boats monopolizing the canals.

Q. I mean apart from the Ford boats, in normal times—I know the Ford boats are a nuisance—we are trying to get down to something practical, at least I am?—A. It will take you four hours through the Lachine Canal, and two and a half hours across Lake St. Louis, four to five hours in the St. Lawrence Canal and from Coteau Landing to Kingston you could make it in about a day, and then from Kingston across to Toronto it is only a night's run.

Q. To travel 350 miles you consume two and a half days?—A. Yes sir.

Q. That is about 120 miles a day. Well, practically half the time, or more than half the time is lost in lockage?—A. No. You have got heavy currents all the way up as far as Prescott and then you have got them in the Thousand Islands again. You have a boat with 2,000 tons and she would just make a little better than those currents. Some of those currents are 8 miles, she only makes ten miles loaded.

Q. Well, with any volume do you think you could reduce that rate of 70 cents?—A. I think it is quite possible.

Q. Because that is a high cost or about the same cost as carrying coal from Sydney or any of the lower ports in Nova Scotia to Montreal?—A. The rate from Sydney is more or less the same from Lake Erie ports to the head of the lakes. You could bring coal from Newport News to New York for thirty cents a ton.

Q. We are glad to take it at any price at all, but that is not a commercial proposition.—A. Our rate is based on the expense to the steamer, the additional cost of fueling. We quoted a rate of 70 cents on Welsh coal, but on a large quantity we would carry it cheaper.

Q. Can you indicate how much cheaper? In other words I want to get what is the lowest rate on a large volume from Montreal to Toronto?—A. The despatch at Toronto is not very good at the present time.

By Mr. Armstrong:

Q. Do not speak of despatch or loading?—A. That is how we have to make the rate.

By Mr. Cantley:

Q. Supposing proper facilities were installed, giving a despatch of 5,000 tons every twenty-four hours, what rate would it be possible to quote for say half a million tons?—A. Fifty cents a ton.

Q. Thank you for that.

By the Vice Chairman:

Q. That is for quick despatch?—A. Yes, for quick despatch.

Q. For loading and for discharging?—A. Yes.

By Mr. Armstrong:

Q. Quick despatch at both ends?—A. Yes.

Q. The loading and unloading machinery must be adequate at Montreal?—A. At Montreal?

Q. Yes.—A. No, I would not say the Dominion coal is very fast.

Q. Why does it cost 20 cents a ton or 25 cents?—A. They can unload a boat at the Dominion Coal plant in eight hours. When you have to transfer it to another boat it takes a longer time.

By the Vice Chairman:

Q. Why do you have to do that?—A. I am not positive whether their towers; the arms on the towers, are long enough to take it out of the ocean boat and swing it over into the hold of the boat alongside.

Q. They are doing that, I understand, to some extent.—A. Yes.

MR. CANTLEY: I might explain in connection with the unloading that the class of towers which the Dominion Coal Company originally built and which they still operate on some of their plants were designed to unload ships and put the coal on shore. The Nova Scotia company built four towers and these towers were for unloading a boat and piling the coal on the shore, or taking the coal, or the cargo and transferring it to a barge alongside. They could arrange number one and number two hatch on the shore and number three and number four hatch or any other combination of hatches. That is done quite often, but the difficulty that you will be up against, or anybody else, is to find vessels that are not able to meet the colliery or in other words, to make a proper connection. A boat going up may have to wait twenty-four hours until the colliery or the colliery may have to wait until the boat is available to take the cargo. The main thing is to make connection.

By Mr. Armstrong:

Q. Would it not be possible for your company if you had a large tonnage to take up the lakes to make close connection and allow them to handle the coal?—A. I do not think it is possible in Montreal; where boats are coming into Montreal with grain and the delay is anywhere from eight or ten hours to twelve. This year we are getting much better despatch and at the same time grain is coming into Port Colborne and we have to rush the boats back as the elevators are filled. We have to empty the Port Colborne elevator to give despatch to upper lake boats.

Q. Would it not be possible to have a line of boats carrying coal back and grain down?—A. Yes, coal boats would have to be fitted when they discharge the grain cargoes.

Q. That could be arranged, could it not?—A. I do not think it. Grain comes into Port Colborne, and when a boat, possibly carrying barley, gets to Montreal, there is no demand for barley, they want wheat and oats and they will unload the boat carrying oats and wheat, holding up the boat carrying barley.

By the Vice Chairman:

Q. A barley boat may be held up quite a while?—A. Two or three days. We could figure a demurrage rate and if a boat is not unloaded in time we could put on demurrage.

Q. That could be arranged in that way and a lower rate made?—A. My rate was based on quick loading and unloading, and no delay. The demurrage might work out at \$425 or \$450, say.

By Mr. Cantley:

Q. I have some figures I would like to bring to your attention. Suppose the cost of transportation from Cape Breton to Montreal is 70 cents, and the discharging and loading into your boat is 15 cents, the freight to Toronto is 50 cents, discharging at Toronto, 20 cents, harbour dues Montreal, seven and one-half cents, and supposing the harbour dues at Toronto were twelve and one-half cents, that makes a total of \$1.75 from Cape Breton coal ports to Toronto and landed on the dock in Toronto, are these figures correct, or do you think business could be done on that basis?—A. I cannot base an opinion on the 15 cent rate at Montreal. I think the 20 cent rate at Toronto is low for the present appliances they have.

Q. I am predicating this assuming an established trade running into a million and a half to two million tons a year. We are looking towards something definite so we can get our coal into Toronto, both eastern coal and western coal. In my judgment the meeting point between eastern and western coal is at Toronto. These are figures that I have put down as figures, I think, at which it can be worked out in large tonnage volume?—A. I think they are approximately correct.

Q. Now, if you can give similar figures for the movement of western coal from the lake ports to Ontario points we will get some constructive data before us which will be of very considerable value.—A. I forget what figures I gave.

Q. Could you give us similar figures in regard to the movement of western coal?—A. I think I said coal could be handled from the head of the lakes to Georgian Bay.

MR. CANTLEY: I would suggest, if the witness would be good enough to make up a statement and hand it to us to-morrow we will be much obliged. It will give him an opportunity to give the matter some serious thought.

THE VICE CHAIRMAN: And any suggestions that occur to you in connection with the matter of simplifying the movement either east or west.

By Mr. Gershaw:

Q. Could you tell us approximately the cost of apparatus for unloading coal from cars to boats?—A. I have no idea.

THE VICE CHAIRMAN: Any other questions?

Witness retired.

THE VICE CHAIRMAN: Before we call Mr. Neill, I want to advise the Committee that the Premiers of the Provinces intimated they could appear this afternoon, Premier Ferguson, Premier Rhodes, the Premier of Quebec and the Premier of New Brunswick. If that is convenient to the Committee we can meet this afternoon at three o'clock. Will that be convenient to the members of the Committee?

[Mr. F. T. Cuttle.]

Mr. McLEAN (Melfort): It is difficult to say whether it will be convenient, but if it is we ought to be here.

The VICE CHAIRMAN: Would it not be advisable to make arrangements?

Mr. McLEAN (Melfort): Yes.

Mr. CANTLEY: I presume the Chairman will get leave from the House?

The VICE CHAIRMAN: If the Committee agree we can ask leave of the House. Mr. Lapierre will ask leave to sit this afternoon.

Mr. McLEAN (Melfort): I have been out this morning, I had to attend another Committee. I understand Mr. Draper is here from Edmonton.

The VICE CHAIRMAN: He can go on to-morrow.

Mr. A. W. NEILL, M.P., called.

The WITNESS: I will try and be as brief as possible. I am here to plead for some measure of relief on behalf of the coal mines of Vancouver Island, which are in far worse condition than those in Alberta or Nova Scotia.

Vancouver Island is about the size of Ireland. Two-thirds of the northern part of the island is in the district I represent, and the other part, except the Victoria seat is represented by Mr. Dickie, and each contains perhaps six to eight coal mines. When I say his, or our mines, we have no interest in the coal mines except a desire to see the industry rehabilitated, as it is in very bad condition.

In British Columbia there are two main areas in which mining is carried on. There is a third area which is not developed. One area is the Crow's Nest area, which is in the southeast corner of the province. There, they have some very cheap methods of producing coal. I believe they produce it for \$2 a ton. Their market is in the United States as they are alongside the American boundary.

The other coal area is on Vancouver Island. It is all bituminous coal, and the Nanaimo area produces principally domestic coal. One of the mines at Cumberland, which is in my district, has a very high class steam coal.

By Mr. Cantley:

Q. Are you referring to mainland collieries?—A. No, Vancouver Island. This coal is a fine class of coal, and I have a confidential report, which I will not read, from the United States Navy in which they certify the Comox coal is 37 per cent better than any other coal on the Pacific Coast for steaming purposes.

Q. Have you got the test?—A. I have the report. They made test trials on one of the gun boats. The British Navy when they were stationed at Esquimalt, invariably used Comox coal. Japanese vessels always load coal of this kind when they happen to be in the North Pacific.

By Mr. Armstrong:

Q. What is the extent of the area?—A. Well, in this district there are about a dozen mines scattered from Ladysmith to Cumberland in an area of perhaps one hundred miles.

Q. What is your estimate of the amount of coal available?—A. That is practically, I believe, unlimited. These mines are so costly to work. The President of the British Empire Steel stated that mines under the sea are costly, for reasons that are obvious, and that is the condition of some of our mines. They are also deep which adds to the expense. You can understand having to go under the sea and having only one pit head. You have the extra expense for light and air and also getting the men and coal out of the mine. They are

very deep and also the cost of living is notoriously a good deal higher in British Columbia than in the east. They have had hard times in the industry for several years past, the miners only working three or four days a week at a moderate wage. I heard, only a few days ago, that a fairly good mine on the Island has been shut down, leaving the men's wages unpaid for sixty days.

In British Columbia in 1910, the coal production was three million tons. In 1924, it was a million and a half.

By the Vice Chairman:

Q. Does that cover the whole of British Columbia?—A. Yes. For the last four months. I have here the recent figures dated May 31st. They show there has been a loss of output over the same period of last year of 96,378 tons, nearly 100,000 tons less in four months than a year ago. That is Vancouver Island alone. The wages paid on Vancouver Island are approximately \$5,000,000 a year, and there are incidental supplies which come to something like \$7,000,000, and something like 85 per cent of the expenditure goes through the city of Vancouver. I want to use that argument later when we come to the question of bunkering.

Wages are not as high as in other places. I regret to say that in one mine they use Orientals, which makes wages cheaper, and for my part I would like to say if there is any relief extended to us, that it should cover the question of Orientals, to the extent that they should be taken out of the mines.

By Mr. Cantley:

Q. What mine are they employed in?—A. At Cumberland, the only mine where they have Orientals.

Q. What is the total output?—A. I do not know that particular mine.

Q. Give us an idea, is it 500 tons or a thousand?—A. I do not know. They have two shifts, an Oriental shift and a White shift.

Q. What is the total daily output, roughly?—A. They have about 500 men employed.

Q. What proportion are Orientals?—A. In that particular mine there are more Orientals than there are Whites.

Q. The bulk of the employees are Orientals?—A. Yes, in that particular mine.

Q. Are these coal cutters, or engaged in other work?—A. In the mine.

Q. Coal miners?—A. Yes. It is not the quality of the coal, or high wages that is the cause of the trouble. Here is the cause: it is lack of market caused by the competition of fuel oil.

I am not sure whether these figures refer to 1924 or 1925, but there are two companies alone which imported in the year 1,335,000 gallons of oil, which is the equivalent of 335,000 tons of coal. That is perhaps only half of what is consumed in British Columbia. That would give us, approximately, a half a million tons of coal which we do not dig, and which we would get the benefit of but for the competition of fuel oil. Taking that amount of coal into consideration, it would make a great difference, and would make the coal industry a prosperous and flourishing one on Vancouver Island, and would practically eliminate this difficulty.

Q. Can you give us an idea of the price per barrel of fuel oil?—A. It runs from \$1.85, around there. It fluctuates a great deal. I think four barrels of oil are held to be the equivalent of a ton of coal.

By Mr. Armstrong:

Q. There is a duty on that coming into the country?—A. Yes, I will deal with that later. That is something like \$5,000,000 a year we send out to the United States, and for which we do not get anything.

[Mr. A. W. Neill.]

By Mr. McLean (Melfort):

Q. You say you do not get any benefit?—A. We get the use of it, but it is not like buying raw material. That is not the worst of it. It is not merely the kick of a private member or two; I may say to the members of the Committee that Mr. Dickie is equally interested. It is not only the complaint of a member whose industry is suffering, but there is a national aspect in connection with it. What would happen if the United States put an embargo on fuel oil coming into Canada? People will say that will never happen. Some years ago you would have laughed if anybody had suggested the possibility of an embargo being put on anthracite, but it has come within sight. Further, we have not only been threatened, but we have had the actual experience.

During the great rush, after the war, I forget the year, but the American fuel oil producers notified their customers in British Columbia that after a period of three months, from a certain date, there would be a positive embargo set up. The customers said: "What are we going to do, we have to operate our steamers, and cannot do it without fuel oil?" The dealers said, to use a biblical expression: "See thou to that, it is nothing to us, we are keeping the oil at home". What was the result? There was an immediate scurry back to coal. They rebuilt their steamer furnaces in order to burn coal, but it did not become as bad as it might have. A depression occurred in the United States and oil became available.

The present situation is becoming more acute. Fuel oil is replacing coal, and these are deep mines, and if this condition is allowed to continue, matters will get very much worse and these mines will have to shut down, and when they shut down they flood, and when an embargo comes along, or perhaps a war will occur or any other unlooked for condition, what would be the attitude of the States? They would immediately place an embargo on fuel oil. Where would we buy oil? We would be obliged to go back to coal, and it would mean an enormous expense to the industries, the steamship companies in refitting to meet these changed conditions, and if the mines were closed there would be no coal available.

By Mr. Armstrong:

Q. What would you propose doing, stop fuel oil?—A. I will cover all these points.

A remedy is suggested to put in coking plants for manufacturing coal into coke and its component parts. At the present time that is impossible, because it is universally admitted that can only be successful where you have a nearby market for the gas produced. If coke were successfully manufactured there must be a big local market for gas which would be absolutely necessary in order to carry it out to any extent. The situation on Vancouver Island is such that we could not pipe gas to Vancouver under the water, and we have no big cities on the Island to cater to, so the coking idea would have to depend entirely on the sale of coke, which would make it impossible. There is the disease, and the question is, what is the remedy?

The Dominion Government took a step in regard to this matter some years ago by putting on an import duty.

By Mr. Cantley:

Q. There is the other situation in regard to coking coal for domestic use, and I do not think the situation is quite as bad as you represent. I know, to be completely successful, the coking ought to be done at points where there is population sufficient to take care of the gas. If you could make a commercial proposition of coke your British Columbia coal would replace the oil?—A. I will cover that presently.

Q. What is the other side of the question; what is the coke worth?—A. I do not know, I think the demand and price would be small. In order to put it on a paying basis you have to have the market for gas. Years ago a company had coking ovens at Union Bay, and they sold coke to a smelter, but a mine was opened nearer where they could get coal cheaper, and the coke oven had to be closed down because no market was available.

By Mr. McLean (Melfort):

Q. Is your coal not suitable for domestic purposes?—A. Yes. I might say in connection with this coke company that their only outlet was a smelter, and they got this mine opened near their plant.

Q. What is the need for coke; that is not going to help you to sell coal for steam purposes?—A. No.

By Mr. Armstrong:

Q. Do you say that the cost of the coal at the mines is \$6.75?—A. \$6.70, the retail price in big lots.

Q. That is retail?—A. No, the wholesale price at the mine-head in carload lots.

By the Vice Chairman:

Q. \$6.70?—A. \$6.70 at the pit-heads. I just mention that in order to give you an idea of the cost. In large quantities you can produce it cheaper. The Dominion Government put a duty of one half a cent a gallon on fuel oil, but that was not sufficient to achieve the object. There are about 35 gallons to a barrel, and it did not assist very much. The Provincial Government got disturbed over the situation and put on a duty of half a cent a gallon. They cannot put on an import duty, and they got around it by calling it a tax. One of the big companies took it to court and pleaded that it was ultra vires and the Supreme Court Judge, before whom it was tried, agreed with them. The case is now being appealed, and I am not in a position to say whether it will be allowed. British Columbia got away with a duty on logs by calling it a tax instead of an export duty. They are going to fight this out. I fear they will not be successful and we will have to fall back on the Dominion.

We want increased duty on the fuel oil in order that the coal mines can compete.

By Mr. Armstrong:

Q. You mean an increase? How much of an increase?—A. As much as we can get.

Q. What do you think?—A. To be really effective, it would need to be two cents.

Q. Two cents a gallon on crude oil?—A. Yes.

Q. And two cents over what you have?—A. We would accept two cents of a total. A half cent would have no effect.

Q. Is that \$6.70 for bituminous coal?—A. Bituminous steam coal, yes.

Q. It costs \$6.70 to produce it?—A. I do not say that is cost but it is the wholesale price for carload lots.

I have run up against opposition from two sources, one is from the two railroad companies and the steamship companies, and also from the manufacturers. They use it for fuel and it is becoming more and more generally used for heating purposes in Vancouver, and these companies depend on the States to get their supply of oil.

Our position is, and we happen to be in rather a unique one; we can take either side of the fence. We say, "If you will not give us protection because of the manufacturers, we will take free trade which will do almost as well." It would meet the situation in this way: The coal tariff in the States is the only

(Mr. A. W. Neill.)

one in the States that is really reciprocal, and it does not depend on anybody or any party. It is written into the American tariff. The duty on our coal going into the States automatically becomes the same as what we charge them on any class of their coal coming into Canada. The duty now is 50 cents a ton on bituminous coal. If that was done away with altogether, free trade in coal, it would immediately allow us to get a much bigger share of the Western American market for household purposes than we have now, and that would mean we would get in the San Francisco market where we used to enjoy a very large trade.

By the Chairman:

Q. You once had that market?—A. We once had it. Here is an illustration of how the trade there has been dropping. It has dropped down in the last four or five years, the export of coal into the States by Vancouver Island coal mines, from 300,000 odd tons to 150,000 odd tons. That shows how it is dropping. Of course, oil competition will probably operate there also.

By Mr. Cantley:

Q. Where did that coal go to, San Francisco and Seattle?—A. Yes.

Q. Principally those two points?—A. I presume principally to San Francisco. They have a local mine in Seattle but it is of very poor quality.

By Mr. Armstrong:

Q. You are talking of a reduction on the national duty; of course it would have to apply to the whole dominion?—A. There is the trouble. I know that would not be popular in the Maritime Provinces; I know what their feeling is there. There is an argument on the tariff, of course, both ways. I won't go into that. The Maritime members know what the Maritime Provinces require. Cutting the tariff off coal would help us quite a lot, but the most important thing, the greater thing would be an increase, I think, on fuel oil. Now, that is so much for that.

There are just two other mining grievances I want to touch on. One is the situation as regards lignite. Some years ago the Government, in looking for some means to allow Alberta lignite coal to go into the United States, took off the duty on lignite coal coming into Canada. There was none coming in so it did not make very much difference and it was supposed that it would encourage the export of Alberta lignite. I think the result was it did not to the extent expected for some reason, but it was supposed to encourage our lignite coal going into the States. The difference between lignite and bituminous is not hard and fast. You cannot say, "That is lignite, and that is bituminous." It is according to how it is graded; it is a matter of argument on the analysis as to how it is divided. You may remember, when Dr. Camsell was giving his evidence, I tried to pin him down, and I asked him what was lignite and he said, "Coal containing about 10 per cent moisture," and I said I hoped he would remember that, for this reason; when the authorities—and I do not think Dr. Camsell was responsible—but some Customs authorities, I think it was, came to define what constituted lignite, as they had to do, they said, "Well now, what will we put it at, eleven, eight, seven or what?" and they finally said, "Let us put it at six per cent"; anything over six per cent moisture then comes in as lignite. There is where I figure the mistake was made. The result was that a trade suddenly developed from an utterly unforeseen source, from Bellingham, which is in the State of Washington, adjoining British Columbia into Vancouver. This coal was not really a lignite, it was sub-bituminous, but it came very close to the analysis; they just skinned it in over the six per cent. Now, here, I do not blame the Mines Department at all because here is what a bulletin issued

at Washington, D.C., said about this coal. Here are three different analyses and they show the moisture running from 4.70 down to 4.26 per cent. Here is the definition and the analyses of that Bellingham coal which is now coming in in large quantities into Vancouver as lignite, which it is not. Here is the honest definition: "It is often referred to as lignite but more properly it should be classed as a low-grade bituminous coal," and that is exactly what it is. It is coming in as lignite when it should not be coming in because it is not lignite, it is bituminous coal.

By Mr. Bury:

Q. How does it come in under that definition of lignite if the moisture must be six and over?—A. Our regulations require it to be six, and Washington gives three samples where it went a little over four. By some mysterious process—not Customs manipulation—it always comes 6.1.

Q. You mean it comes up there— —A. Yes, I have had it tested again and again; 6.1, 6.2, 6.3, but it always just managed to get over the definition which lets it come in free of duty.

By Mr. Armstrong:

Q. How much of it comes in in a year?—A. There were 25,000 tons came in last year.

By Mr. Bury:

Q. Who does the testing at the border?—A. Oh, the Customs people, and they do it thoroughly.

Q. It is not a question of manipulation or false return?—A. Oh, no.

Q. Or false analysis?—A. I do not think so.

Q. How then is it that our analysis shows over six per cent whereas the United States shows a little over four?—A. I think the integrity of our Customs people is beyond question. I went to them and they explained their methods, and I think they were all right. They went down unexpectedly and grabbed some of the coal and tested it. I can only suppose they have discovered some seam or mine that has a little better quality than what the United States based their analysis on. And there is another feature about this. It is not only bootlegged in as lignite when it is not lignite, but it is sold as our British Columbia coal and it damages the reputation of our coal. You go to Vancouver and you will never see Washington lignite coal advertised or Washington coal; it is sold as our Vancouver Island coal. Some of it is mixed with our coal and some of it is sold to somebody that does not know anything about our coal, but it is sold and it damages our reputation.

By Mr. McLean (Melfort):

Q. Is that being done by British Columbia dealers?—A. Oh, undoubtedly. A dealer will do a great deal. I went down unexpectedly and talked to some of the men that were shovelling the coal and I found out these facts. What we want in that case is to raise the percentage of moisture from six to eight per cent. Now I do not know whether there will be any opposition from Alberta in this, if we raise the content of moisture from six to eight per cent. Now, here is a report prepared by the Mines Department.

By Mr. Cantley:

Q. Why do you go below ten per cent?—A. Opposition from the Alberta people. They say, "We cannot get our lignite coal into the States." Here is a report from Dr. Camsell's department, and it says if you change it to seven per cent it will cut out ten per cent of the coal from Alberta that now goes into the

States. Ten per cent is not very big, and I think when it means aid to British Columbia it might be considered. I base it on the pure ground that it is not lignite according to the American statement, it is sub-bituminous coal.

By Mr. Bury:

Q. Before you leave that point, in making any change in the definition of lignite or the description of what is lignite, the United States would have to be a party to that, would not they?—A. No.

Q. Do you mean to tell me that Canada can simply say, "We are going to let your lignite in with over a certain amount of moisture free"?—A. Yes.

Q. That automatically goes through?—A. Yes. I am told by the officials of the department there is no objection at all technically, if you raise it to eight per cent. It would not be "Whipping the devil around a stump." They said it would be perfectly just and scientifically correct to put the definition on lignite at eight per cent. Dr. Camsell himself puts it at ten per cent.

As to our fourth grievance, there is a proposition on foot now—and there is quite active lobbying going on—to allow the money furnished by this Government, or by us, to be spent in the Harbour of Vancouver to provide coal bunker facilities, to facilitate trade with these grain ships that come in. It appears to me that we have surely reached the limit of our endurance if we are going to be sacrificed in this way. We are sacrificed by the fuel oil, we are sacrificed by the lignite. We are sacrificed by the lack of duty on the fuel oil, by the duty on the bituminous coal, and by allowing lignite to come in. Now, once more, we are going to be asked to provide with our own money bunkers that will complete the ruin. For this reason: these bunkers will be put up by Government money and will be open to the world. A tramp steamer that carries grain, comes out, perhaps, around by China and Japan, or perhaps from the south, and gets a load of grain for the Old Country. In any case, it comes in ballast. Coal is mined in Japan by women and children, and they can take that coal on at the same cost, or at no greater cost than putting on ballast, possibly even cheaper. They will bring it over here, they will dump it into these bunkers—it is handier than going down and dumping ballast—and they will get a trifle for that and the coal will be purchased and landed there at a price that will make it utterly impossible for us to compete with that. Now, it will be said, "Well, this is an economic proposition that you are up against." It is not. We are not afraid of any economic proposition. If these bunkers were being put up by the Alberta people to facilitate Alberta coal and possibly Crow's Nest coal getting into Vancouver; put up by the Alberta people, or even by their Government, or by the Crow's Nest people, we have no kick, we can meet competition in that way. The difference would be that these bunkers would be private. The Crow's Nest people and the Alberta people, being business people, would not allow these tramp steamers to come in and unbunker their coal at a low rate. The Government will not do that because Government bunkers must be open to the world. If it was done by private interests, we would not kick. We can meet fair competition of the Alberta or Crow's Nest people in that way, but we do object to our own money being used to stimulate trade that will surely ruin our mines.

By Mr. Cantley:

Q. One question. It is just as important to us as it is to you. To-day, under Customs regulations, coal can be brought into Montreal, or brought into Vancouver, foreign coal, and come in as bunkers without paying any duty. Now, that is wrong in principle?—A. Yes.

Q. And that affects you?—A. Yes.

Q. If that were rectified it would not make any difference, or very little difference in regard to the proposition that you refer to?—A. Yes, but that is another phase which would also hit us.

By Mr. McLean (Melfort):

Q. Can you tell us about what coal costs in China or Japan?—A. I forget now. I did have the figures. I know our Canadian Government Merchant Marine used to bring it over as ballast and use it on their own steamers and there was a big fuss made at the time and I got it stopped. It is mined by women and children, of course at a very low rate.

By the Chairmans

Q. What quality of coal is it?—A. I am not sure as to the quality.

Mr. CANTLEY: The quality is all right.

Mr. McLEAN (Melfort): I have seen coal from China shipped up the Asiatic Coast and it was very expensive. I think coal from British Columbia should have been able to compete with it, but that was China.

The WITNESS: Japan has large coal fields and it is readily accessible. I recall from correspondence in connection with our Government boats buying it they quoted a price, and it was very low.

By Mr. McLean (Melfort):

Q. Just one other question about that before Mr. Neill leaves us. You speak of vessels bringing it over there in ballast, vessels coming from Japan or China on their way to pick up grain at Vancouver. You spoke of vessels coming from the South; no vessels come from the South with coal?—A. They might bring coal from Frisco in ballast.

Q. How could they get coal in Frisco if you have movement of 300,000 tons to Frisco?—A. We have to compete, but they have coal there.

Q. How can they get coal, to bring it to your mines, when you in the meantime can ship there as much as 300,000 tons in some years?—A. Well, that is to bring it as ballast.

Q. It would cost too much if you have to ship your coal down to Frisco, how could they bring it back again as ballast; water ballast is much cheaper than that?—A. These tramp steamers seldom use water ballast, they would have to load gravel.

Mr. McLEAN: Gravel would be cheaper.

By Mr. Bury:

Q. They would not be able to buy coal?—A. No, perhaps they could not. Perhaps I was wrong in that, but I know the coal interests say that the coal would come in. I tell you where they could bring it from, they would bring it from Virginia.

By Mr. McLean (Melfort):

Q. All the way around through the Panama?—A. If they were coming through in ballast they can get it very cheap there in Virginia, as the evidence before this Committee will show.

Mr. CANTLEY: Before you leave that; to emphasize what the witness says. The export of grain from Vancouver is growing and it is going to grow more rapidly until the time is not very far distant, in my judgment, when about one-half of our Western grain will go out through the port of Vancouver, largely to Asiatic countries. Now, these boats coming back will undoubtedly bring coal from Japan, not all of them but a great many of them. The vessels that

come to Vancouver to receive a grain cargo, some of them will actually come out from Britain, because they are taking grain back to Britain, and they will bring out coal. There is no question about it, that is a very important point that he is raising. Now, the question of allowing bunker coal to come into this country without paying any duty is unfair to the coal industry of this whole country, both east and west.

Mr. McLEAN (Melfort): Just a moment, on that; is there any other line of goods that is imported into this country and re-exported that does pay duty to Canada?

The WITNESS: Brought in in bond, I suppose.

Mr. McLEAN (Melfort): There is a drawback of 99 per cent provided.

The WITNESS: You can bring in other goods, like tobacco.

Mr. CANTLEY: But those other goods are not the products of Canada and we could not supply them anyway.

Mr. McLEAN (Melfort): Some of them are.

Mr. CANTLEY: My point is, this is unfair to a Canadian industry that is struggling for its existence on the east and west coast of Canada.

Mr. McLEAN (Melfort): You would compel these boats to increase their bunker space so as to bring in enough coal for the return trip. You would not be helping yourself.

The WITNESS: We would not object to that. It is bringing it in as cargo and ballast.

By Mr. McLean (Melfort):

Q. Bringing it in as cargo?—A. Yes.

Q. That is a different proposition; if it is bringing it in as cargo for local consumption?—A. It is ballast.

Q. But for bunker coal to take out again and have other vessels take out again, that is a different proposition. Supposing they put it on the dock and they themselves and other boats of the same line take it back?

Mr. CANTLEY: If another vessel takes it, it should pay duty.

Mr. McLEAN (Melfort): You put it in a class by itself.

Mr. CANTLEY: Many things are put in a class by themselves to do justice to the country.

The WITNESS: Just to sum up. We are suffering from competition from the fuel oil. We do not think we can get any relief by coking, on the ground of our remoteness, so to speak, from the gas using centres. We are suffering from a tariff which cuts us off from the United States. We are suffering from the importation of bituminous coal as lignite, and we are threatened with this bunkering trouble as well. Those are the facts; they cannot be disputed. We are two lone members from British Columbia and we run up against the weight, on the one hand, of 12 or perhaps 14 members from Nova Scotia and New Brunswick who won't stand for a reduction of the duty on coal. On the other hand, we run up against the manufacturing interests, who are fully represented in the House, who do not want a duty on fuel oil. All I can say is that we rest on the mercy of the Committee and hope that they will deal with some of these items in their report in such a way as to attempt to relieve such grievances as you can, and I refer particularly to the lignite coal and the bunkering. At any rate that can be done, and if you can see your way clear to make a recommendation on the other matters, I may say that we would be very much indebted.

By Mr. Bury:

Q. Are there any improvements that could be made on the Island, say at Vancouver, that would tend to lower the price of your coal, in the way of loading facilities or bunkering facilities of any kind?—A. I have taken that up with the coal men and they claim they have got the most modern system that can be devised. I know in the bunkering of ships they have an over-head system and the cars come along and they dump right in the ship, a whole carload at once.

Q. Nothing can be done along that line?—A. And goes down by gravity into the ship. A ship can be loaded in a very short time. They use an over-head railway where they haul cars, 35-ton cars, and then they are automatically emptied by gravity right down into the ship.

Q. While you are on that. Does the coal degrade much in the handling in large volume?—A. No. I have had some experience with that because in the little town where we live, Port Alberni, I handled coal in a retail way. It breaks a little, but I do not think so much as the Nova Scotia coal, from what I have heard in evidence here.

By Mr. McLean (Melfort):

Q. That would help it from a bunkering standpoint, if it did break down?—A. Not for steam purposes, bunkering.

Q. For steam purposes. This report says that one of the defects of your coal was that the lumps were so large, it was difficult to fire?—A. Does it say that?

Mr. CANTLEY: That is remarkable.

By Mr. McLean (Melfort):

Q. Can you tell us the reason of the high cost at the mines, at the pit-mouth of that coal?—A. Deep mines and expensive working, not very deep seams, and a good deal of gas. I saw that they shut off a large section of a mine the other day entirely because they were having some phenomena in dust explosions and they could not explain why.

Q. How deep would those seams be?—A. I do not know. The mines are deep but the seams are not very deep.

Q. Four feet or so?—A. Something like that.

Q. And how deep are the mines?—A. I forget now. I was down one of those mines and it seemed to me a long distance down. I would not say the depth because I would have to go on record; I do not want to make any absurd statements. But they are reckoned as deep mines.

Q. You do not know whether they are under water?—A. In the case of Nanaimo District they run right out under the sea, and that increases the cost because you have got to put the men down here and they walk along to their work two or three miles and then haul the coal back, and the bracketing of pipes for the air all that distance; all that increases the cost.

Q. Don't they shoot their men to the back in cars and bring them back in the same way?—A. Possibly, I do not know. I do not think they are electrified entirely, at any rate. I know in the Nanaimo district they have donkeys and mules and ponies.

Q. Why do you use a lot of Welsh coal?—A. We do not. When the Niobe was there they used Comox coal. During the war one of the British Government representatives came to Port Alberni and he asked me, being the only coal dealer in the place, if I could supply coal and I said, "What coal do you want?" and he said, "Comox coal, and nothing else." I said, "Why?" He said, "On account of the steaming value it is next to the Welsh coal, next to the best Welsh coal."

By Mr. Gershaw:

Q. Is that coal that comes in from China used for domestic purposes in the City of Vancouver?—A. There is not any coming in. We only fear that that will be the result of having these bunkering facilities. When the coal was brought in by the Government ships they used it themselves.

By Mr. McLean (Melfort):

Q. One more question. There is a great market for coal down on the west coast of South America, do you ever go in there?—A. Not that I know of.

Q. Chile and Peru?—A. I rather think there is a market opening up down there now. Perhaps Dr. Camsell could tell you about that. He said there was a market opening down in the South; was it Mexico or Peru? Have you anything, doctor? In the report of the Minister of Mines he said there was a market opening up, possibly in Mexico or Peru.

Q. Chile and Peru have been large purchasers of British coal for very many years?—A. Possibly it was there. I know there was coal going down south somewhere.

By Mr. Armstrong:

Q. If you are through with your proposition pretty well, Mr. Neill, I would just like to ask you a question. Are there any of the anthracite fields of British Columbia convenient to the shore, to the water, I mean?—A. No. Dr. Camsell would know better than I do, but I think the only anthracite in British Columbia was at Banff, and I understood him to say that was closed down.

Mr. CAMSELL: The Ground Hog Field in Northern British Columbia is about 150 miles from the coast.

The CHAIRMAN: Are they operating, doctor?

Mr. CAMSELL: No.

Mr. ARMSTRONG: Is that the one owned by Mr. Scott?

Mr. CAMSELL: Yes.

Mr. ARMSTRONG: That is the field I have reference to. Mr. Scott has been interested in it for a number of years. It is a very extensive field and the best of anthracite. What I was wondering was whether it would be worth while to work that field. Mr. Camsell, I think you know, that is a most excellent quality?

Mr. CAMSELL: It is pretty good.

Mr. ARMSTRONG: There is an intracite field within 160 miles of the Pacific Coast, and a very extensive field, is it not?

Mr. CAMSELL: It is a large field, yes.

Mr. ARMSTRONG: And it is of excellent quality?

Mr. CAMSELL: The quality is pretty good.

Mr. ARMSTRONG: The company that owns a considerable portion of this field are anxious to get in touch with a market. They are willing, I believe, to build a road right to the coast. Would it be possible for that coal to be carried to the Coast, loaded on to boats and brought around to, say, Montreal, and Quebec. Have you any idea at what price it could be landed there?

The WITNESS: I cannot answer that question as regards Ground Hog. I took up that question, as regards our mines, and I put the best price, we will say, at \$5 for shipping large quantities. I think the ordinary wholesale price is about \$6.70. I approached the Canadian Government Merchant Marine and they said the lowest they could do it for was \$5 a ton, and that would land it

[Mr. A. W. Neill.]

at Montreal at \$10 a ton. They could not bring it to Toronto as their boats could not go up. I ascertained that coal could be brought in from Nova Scotia for 80 cents a ton during the summer months, and we could not compete.

Mr. CANTLEY: Mr. Armstrong is referring to anthracite.

By Mr. Armstrong:

Q. I am not dealing with bituminous coal, I am now speaking of anthracite; you have no information?—A. No.

Mr. CANTLEY: That means opening up another mine.

Mr. ARMSTRONG: That is true. These men are willing to open up the mine, willing to build a road to the Coast.

Mr. BURY: There is the trouble; I think it would be foolish to open up another.

The WITNESS: Dr. Camsell, where would the Ground Hog mine strike the water?

Mr. CAMSELL: They would either come down to strike the Grand Trunk Pacific at Hazelton or else into the mouth of the Naas river.

Mr. ARMSTRONG: That is not the mine Mr. Scott is interested in, it is not called Ground Hog mine.

Mr. CAMSELL: That is Ground Hog region.

The CHAIRMAN: How large an area is there at the Ground Hog Mines, Dr. Camsell?

Mr. CAMSELL: I could not tell you offhand. That is part of the material I am getting together for you.

By Mr. Cantley:

Q. What is the cost of freight on your coal from Vancouver to San Francisco?—A. I do not know.

Q. Well you ought to join us on the question of proposing a duty on imported bunker coal?—A. Yes.

The Committee adjourned at 1.00 p.m. to resume at 3.00 p.m.

AFTERNOON SITTING

The Committee resumed at 3 o'clock P.M., the Chairman, Mr. Lapierre, presiding.

The CHAIRMAN: Will our visitors (the Provincial Premiers) take chairs here at the table. We will be glad to have you right here with us.

The Committee will now come to order.

Gentlemen, I wish to thank our visiting Premiers for coming to this Committee. We realize that we have a serious problem in this fuel situation, but we consider that it is not insolvable. We feel that this problem will best be settled by the co-operation of the different provinces. The members of this Committee suggested that during your stay in Ottawa, we should take advantage of your presence here to hold this conference. We will be glad to receive any suggestions, or the outlines of any policy, which will assist us in solving this fuel problem. It is a problem which has interested this Government, one that has been investigated during the last two or three sessions of Parliament, and we feel now that we have reached a stage where we can solve it with the assistance of the provinces.

I will now ask Premier Baxter to give us any outline or suggestions that he may have that will help us in our work.

Hon. J. B. M. BAXTER (Premier of New Brunswick): Mr. Chairman, I am very much obliged to the Committee for their kindness in sitting this afternoon, and for their invitation for us to be here.

The Conference of Provincial Premiers which has been sitting the last few days has prepared a resolution on this question of coal. I have not got it with me, but it will be submitted to you in due time, as being the formal expression, the united views of the Conference. Hon. Mr. Rhodes, of Nova Scotia, will be here later, and I expect he will be here shortly; I know he wishes to make an arrangement for some special technical experts to place the views of Nova Scotia before this Committee, at a later date.

If I may be pardoned for trespassing on your time, it will not be very long. I want to put forward the proposition in regard to the coal mines of New Brunswick.

In the first place, I may say that so far as this question of coal production and utilization is concerned while there is no coal in Prince Edward Island, and while there is only some coal in New Brunswick in comparison with the great deal of coal in Nova Scotia, yet the Maritime provinces take precisely the same attitude with regard to these coal deposits. We trust that a way can be found by which the coal of the Maritimes may reach further into Canada in order to meet the competition of their home market. This will be accomplished, largely, by some such policy as this: that a good deal of the difficulty which undoubtedly exists in the Maritime provinces can be alleviated, if not wholly remedied, as we have the natural product that the rest of Canada requires. The question is simply one of getting our natural material to the people who want to use it.

I have some suggestions with regard to the situation in New Brunswick, and others who are here will deal with Nova Scotia.

Now, with regard to both New Brunswick and Nova Scotia coal, owing to what I may call prejudice against the use of soft coal in the urban centres of Eastern Canada, and the great preference for anthracite coal, there is perhaps, first, difficulty in convincing people that they ought to use this coal from the Maritime provinces. But by the adoption of the process of turning coal into coke, the people can get a better—I may even say cleaner—fuel, than anthracite coal; a fuel that will be entirely produced within the Dominion of Canada, which is perhaps one of the most important aspects of the question.

Now, this conversion of coal into coke cannot, of course, take place at the mine in Nova Scotia or New Brunswick, because in that process gas will be produced, and that gas can only be usefully produced in Canada where it can be consumed. There are other by-products of coal derived in the process of coal into coke, and those might be handled anywhere, but the gas must be manufactured in some urban centre where it can be used.

Now, the problem is twofold; first, getting sufficient assistance to enable some concern, or concerns, who would construct coke ovens at important centres in Eastern Canada. In the second place, the problem of getting the raw material to those centres. One is simply a question of giving assistance to an industry which, I presume, will only require being assisted until it is demonstrated to the people that the fuel produced by it is at least equivalent to any other fuel they can obtain.

The problem of transportation is one of the serious factors. You have a similar condition in the attempt to use Alberta coal in some Eastern centres. The Eastern Provinces are entirely in sympathy with that attempt. Relatively speaking, the Alberta problem is a greater one than the Maritime problem, because it involves greater distance.

The problem which confronts New Brunswick is, in part, the problem of Nova Scotia. The coal fields of Nova Scotia are on the coast, and you can use water freight for a great deal of the year, at all events. In New Brunswick, our coal fields are situated just about the centre of the Province, and are connected with both the Canadian National Railways and the Canadian Pacific Railway system, but those fields must be exploited by means of the railways; there is no other means.

Parliament has thought it wise, and I think the people of the Maritime provinces entirely agree with the action of Parliament, to place a duty upon slack coal, to prevent the exploitation of our Maritime market by American slack coal operators; and also to help the invasion of Ontario. That duty has been helpful; it probably would be more helpful if it were larger. I will not discuss that phase of it now. Suffice it to say, there is a large area in Ontario, which can not possibly get coal at present from the Maritimes; they must use soft coal. Therefore, they contribute to the national exchequer by the payment of duty. That is a burden placed upon one central province at least.

If they will take the fund that is so produced, and use that fund to lessen the cost of transportation from the Maritime provinces to Ontario points, they will be making, I think, a very practical use of the duty which has been imposed, because they are thereby keeping the Canadian market for the Canadian producer, and upbuilding a basic Canadian industry.

I want to say just one word or two in illustration of rates. Some years ago, an attempt was made—the experiment did not last very long—to use New Brunswick coal. I think it is used in this building at the present time. The Dominion Government gave an allowance of one-fifth of one cent per ton per mile to meet the cost of transportation; limiting that to 250 miles, so that the greatest amount paid would be 50 cents per ton—it could not exceed that and it might be less.

At the present time, the rate from Minto to Quebec, a distance of 406 miles, via C.N.R. is \$2.55 per ton.

To Sherbrooke, on the C.P.R., 386 miles, the rate is \$2.75.

To Montreal, via C.P.R., 492 miles, the rate is the same, \$2.75.

To Ottawa, via C.P.R., a distance of 603 miles, the rate is \$3.25.

I am told that the reduction of 50 cents in these rates per ton, would enable the Minto mines to effectively compete in the shipment of coal to Montreal and Ottawa, with imported American coal.

Is it worth doing, gentlemen? Is it a large amount to ask?

I need not say to the Committee that there has been a great deal of discussion about the \$7 rate for Alberta coal. We are not, in any way, complaining about that. I only want to show you what that means, when translated into terms of handling Minto coal. If we had to take Alberta coal from Edmonton to Toronto, a distance of 2,053 miles, it would make a rate of .341 cents per ton mile. If we had the same rate applied to Quebec, as I spoke of before, instead of \$2.55, it would be \$1.38. To Sherbrooke, instead of \$2.75, it would be \$1.32. To Montreal, instead of \$2.75, it would be \$1.68. To Ottawa, instead of \$3.25, it would be \$2.06. Therefore, when we suggest a reduction limited to, we will say, 250 or possibly 300 miles, and one-fifth of one cent per ton, and ask the country to bear that part of the cost of transportation, we are asking less than the amount necessary to bring Alberta coal to Toronto.

Mr. ARMSTRONG: At the \$7 rate, you mean?

Hon. Mr. BAXTER: Yes. We are asking for very much less than that; and we do ask for consideration for our coal field; not to the exclusion of any one else, but simply to assist in the development of a very useful and profitable industry in New Brunswick.

The condition at Minto, to-day, is not at all satisfactory; the local freight rates are high. I do not wish to say too much about the aspect of competition of Nova Scotia coal; we do not want to look at it in that way. Nova Scotia coal can, by sea, reach points in New Brunswick and undersell Minto coal. We can not complain of that. We do not want anything to be done to prevent Nova Scotia selling more coal; but what we do want is, if you can work it out, to give New Brunswick also the opportunity to sell more coal.

It seems to me there is enough market in Canada, and that it is worth while, as Premier Ferguson said to-day, for a portion of Canada to stand some special disadvantage, perhaps, in order that all Canada might share in the common advantage, to constitute a federation bound together by commercial as well as political ties.

I thank you for your hearing.

The CHAIRMAN: You have no objection to answering questions?

Hon. Mr. BAXTER: So far as my knowledge will extend.

The CHAIRMAN: Would a larger production of your mines in the Maritime provinces tend to reduce the price of production?

Hon. Mr. BAXTER: I would suppose so, but I think you had better take that from experts who will be here later on. I do not like to speak of something with which I am not sufficiently familiar. I know it would with regard to the Minto mine, but as to the Nova Scotia fields I am not able to say.

Mr. ARMSTRONG: We have had representatives from the C.P.R. and C.N.R. giving us information as to the actual use of coal by their roads, from eastern mines. Can you give us an estimate of what they are using from your mine?

Hon. Mr. BAXTER: I can not. I can tell you something; I asked for a memorandum, and something has been given to me. I know, from the Minto field, the Canadian Pacific Railway has contracts to take 100,000 tons of screened Minto coal. I have repeatedly taken up the matter of supplying coal to the railways, and I have been referred quite often to Mr. Britt, their Fuel Expert, and he insists that they get a greater per mile value by taking Pennsylvania coal, which travels via water-borne transportation to the foreign road, and then to their own road. I have to accept Mr. Britt's statement. I can not get inside of it.

There is also the point made that they would have to alter the grate bars,—I can not explain that very accurately,—in order to burn Minto coal. I am told by the C.N.R. people that the Minto coal is better for use on fast passenger service than freight, where engines may have to stand for a while. At all events, it has been sufficiently demonstrated that Minto coal can be used in railway service, and for any purpose; it is a question of adaptation.

Now, there is something wrong in the general policy, when it is possible for the C.P.R., or anyone else to import foreign coal and beat our own coal.

By Mr. Armstrong:

Q. Have you made an examination into the costs of both?—A. I have not.

Q. That is the price at which the Canadian Pacific received it?—A. No.

By Mr. Bury:

Q. Have you any committee, or body, in New Brunswick whose business it is to consider this carefully, to go into this with a view of submitting some plan to the Federal Government?—A. The only body is the government of New Brunswick.

Q. You have no Fuel Committee or special committee?—A. No, the Province of New Brunswick itself is the only body. There are no organizations of that character. I will tell you one angle from which the government views it:

It is only a few months since the mine-owners came to us and asked us for a reduction in the royalty, and we only charge a royalty of ten cents a ton where the royalty of Nova Scotia is very much in excess.

Q. The province, knowing the local situation, being able to get more cheaply all information about freight rates and possible routes, the different factors that keep coal high in price; the province, being better able to get at these facts in respect to its own coal field, would be in a better position to make up a report and make a very extensive brief covering its own case, and make satisfactory comments and suggestions as to how the fuel problem from its standpoint and in respect of its coal mines could best be made?—A. I do not know about that. The mine-owners are very anxious to dispose of their product and can give you the facts with much less difficulty, and without the intervention of the provincial authorities. They know exactly what their freights are. You can get that from the railways or the mine-owners. All we can do is ask that, and you can ask and get their costs.

Q. I thought the province might investigate the rate on the spot; for instance, this Committee here have only a very limited time, as we rise when the House prorogues and we are trying to deal with this big question. Nova Scotia, New Brunswick, Alberta and British Columbia are in a better position and have the time to investigate these matters. We are not in as good a position to do this exhaustive work as the provinces.—A. You will have further information in a day or two. You will have evidence from Nova Scotia that will be given by experts.

By Mr. Cantley:

Q. I would suggest that Mr. Neill tell our outside friends what action has been taken by the Province of Alberta, and what is in the mind of the public in regard to the use of their coal and what they have done towards adding to the information which is already in the hands of the Government.—A. I would like to suggest as far as getting information from New Brunswick is concerned, that the Committee might ask Sir Thomas Tate to come. He is interested in one mine and could give you information as to costs and railway freight rates, and it would only be a matter of the train bringing him here from Montreal.

By Mr. Armstrong:

Q. Mr. Baxter, would you be good enough to inform the Committee of the amount of coal the Canadian Pacific Railway is purchasing from the mines in New Brunswick?—A. I will be able to get that.

Q. And do you think they could show whether they would be able to purchase coal at prices that would compete with American coal?—A. I cannot get that for you unless they will tell me.

Q. Have you any suggestions regarding the anti-dumping law to stop the bargain and sale taxes of the coal exporters in the United States?—A. You are putting a question to a man who believes in a protective tariff.

Q. I am afraid we are all gradually becoming protectionists on this Committee. That is an important question, have you any suggestions?—A. There is no other way. They are using the tariff weapon and they are using it against us ruthlessly. There is scarcely a cask of lime being manufactured in New Brunswick, comparatively speaking, that is, compared with what was manufactured thirty or forty years ago because of the tariff wall our neighbours use against the Canadian lime manufacturer. The lime is now being manufactured at Portland, Maine, instead of in New Brunswick. If we want our coal used we have to apply the same remedy.

Q. What suggestions have you to offer regarding revising the scope of the Dominion Fuel Board, giving this Fuel Board a national view-point instead of provincial, as at present?—A. I have not had my attention directed to the subject and have no suggestions to offer.

By Mr. Bury:

Q. Your coal is bituminous coal and therefore would be available for domestic purposes or could be coked?—A. You could burn Minto coal; it is a perfectly good burning coal for boiler use, but for a community that has been accustomed to anthracite coal you had better give them coke than attempt to get them to burn a gaseous coal under conditions perhaps not suited.

Q. You suggest a fifty cent duty on American coal coming in; that is practically ear-marking that and applying it as a kind of subsidy or aid towards the Maritime freight rates. Would the effect of that be such in so far as it was effectual to put the Maritime coal on the market and oust the American coal, you would be getting a subsidy? Would the effect not be that you would be getting a subsidy and would be ousting the American coal from the particular area?—A. There would be no subsidy to the owners.

Q. I am not talking about a subsidy to the mine-owners.—A. You mean a fund out of which the subsidy is paid?

Q. Yes?—A. Yes.

By Mr. Armstrong:

Q. Mr. Baxter, you said if the reduction in rates on the railways would amount to fifty cents a ton you would be able to compete in the city of Montreal. Might I ask what efforts you have put forth to secure that rate on the railways, if any?—A. I do not know what the mine-owners have done. I assume they have done all that is possible. I got my information from them. I asked them what concession would be necessary to enable them to compete and they assured me they would compete with that assistance.

By Mr. Cantley:

Q. Are the Minto collieries on the Canadian Pacific line?—A. On both lines; some mines respond to one and some to the other.

Q. I understood you to say that the C.P.R. were not buying any coal from the Minto collieries.—A. They are buying some.

Q. How much?—A. I do not know how much; I have not got the figures.

Q. What are the facts in regard to the Canadian National?—A. The Canadian National line has an exclusive contract; they use partly Nova Scotia and partly Minto.

Q. They are not importing any coal into the Maritimes?—A. No.

Q. Do you know the output per man of the Minto mine?—A. No, I know none of those details.

Q. Or the cost?—A. All I know is that it has cost the province of New Brunswick somewhere between \$2,000 and \$5,000. As you are aware the men were complaining of conditions and wages and we had to appoint a commission to investigate and I have no doubt the commission obtained valuable information of that character.

By Mr. Armstrong:

Q. You could produce much larger quantities of coal?—A. Undoubtedly.

By Mr. Howden:

Q. Would the Maritime people be willing to pay an extra fifty cents to cover the duty on their own coal?—A. They probably would have to, because the whole history of the thing is, the nearer the pit-mouth you get to the more you pay. I know we pay more in St. John for Nova Scotia coal than from remote points.

Q. I am afraid we would have quite a holler from Ontario.—A. I do not think so.

By the Chairman:

Q. Is there any possibility of reducing the cost of production?—A. I cannot say; I would not think so. You cannot grind labour down much more than it is ground down now.

Q. Is the production of coal in the Maritime provinces increasing? Has there not been a considerable increase?—A. There has been a decrease in the Minto field. I cannot give actual statistics.

By Mr. Armstrong:

Q. How many men are there employed there?—A. In Minto?

Q. Yes?—A. I cannot say; several hundred.

By Mr. Bury:

Q. The evidence of the commission, Mr. Baxter, would give us that?—A. I presume it would. They had very liberal powers and had costs and everything.

By the Chairman:

Q. The figures could be obtained in the report?—A. I think so.

By Mr. Armstrong:

Q. There is no question, Mr. Baxter, that you, as Premier of the province, would be very glad to co-operate with any proposition that would help the industry in the east and in the west?—A. I beg your pardon?

Q. There is no doubt you would be glad to co-operate with any proposition that would materially help to develop the coal industry in the eastern provinces as well as in the west?—A. Most certainly. Our viewpoint is this, that the fuel proposition is purely a Canadian one and it is just as wide as the Dominion of Canada and that assistance is needed both in the east and west in order to get the maximum of development. It is only a question of properly applying that assistance.

The CHAIRMAN: But your province would be quite willing to co-operate with the Federal Government?

Hon. Mr. BAXTER: If you mean by that, would my province be willing to spend more money, I tell you we have not got it to spend; we are coming here to try and get more. We cannot pay our own bills at present.

The CHAIRMAN: Now, we have Mr. Douglas from Nova Scotia. We would like to hear any suggestions from Mr. Douglas.

Hon. Mr. DOUGLAS: I have no desire to make any extended remarks. Mr. Rhodes, the Premier, is sorry that he was unable to be present this afternoon. He asked me to come and give this message to your Committee; that we would be very glad to send up our Minister of Mines and Deputy Minister of Mines sometime next week, if it would be agreeable to your Committee, to give you such detailed information from the standpoint of Nova Scotia as you may require. You already have had Nova Scotia's case in printed form, or at least the previous Fuel Commissions have had it and have given it consideration, I have no doubt, when they were preparing their findings. It is only right that you should have Nova Scotia's case afresh before you.

I may say that in the sessions that the Provincial Premiers have been holding within the last few days, they have declared on three points.

The first is: That the time is ripe when we should carry out, or endeavour to bring about a real national policy as far as fuel is concerned. "Canadian Coal for Canadian Consumption." To do that there were two main proposals suggested. One was to change the character of the coal to coke in order that it

might take the place of the American anthracite in Central Ontario, and the other was in reference to the freight rates.

My understanding of the freight rate question is not exactly as stated by Premier Baxter, but it is along somewhat similar lines.

The subvention that has existed, as I apprehend it, is that there was a rebate of one-fifth of a cent per ton mile on all coal shipped to points west of Rivière du Loup; it did not apply to any coal at any Eastern point but became effective to coal shipped west of Rivière du Loup.

Hon. Mr. FERGUSON: That is a matter of record; there cannot be any dispute about that.

Hon. Mr. DOUGLAS: Yes. But from the Nova Scotia standpoint I may say that this subvention has worked out so well that 100,000 tons of Nova Scotia coal has gone into territories where Nova Scotia coal was not sent. From a Nova Scotia standpoint, however, the rate of 50 cents, which was the maximum that could be paid per ton on any coal shipped west by virtue of this subvention, we feel that we could market a very much larger quantity west of this point if the rate were made 75 cents to a dollar per ton. Furthermore, this subvention applies only to rail coal, coal shipped on the railways. It is felt in Nova Scotia if the same subvention was applied to coal transhipped from boats at Montreal to boats of a smaller tonnage, that then a great deal of coal might be shipped by way of water from Montreal up the lakes.

In addition, this subvention does not apply to coal sold to the railways, and as a consequence the quantity of coal was not utilized by the railways west of this point that might have been.

Hon. Mr. FERGUSON: I think you said at the Conference your total output was about six million tons normally; it has fallen off recently. What proportion of that goes to the railways?

Hon. Mr. DOUGLAS: This year about a million and a half tons of Nova Scotia coal will go to the railways.

Hon. Mr. FERGUSON: You get nothing in the way of assistance. How far does this subvention go; is it for coal carried anywhere or coal that is carried beyond the confines of your own province?

Hon. Mr. DOUGLAS: Coal carried beyond Rivière du Loup on the railway. Rivière du Loup is the point where it begins to apply. We state it should apply to railway coal equally with the other coal, and we further state that it should apply to coal transhipped into boats west of that point, say, at Montreal, so that when it is put in smaller boats it would apply to them.

Mr. BURY: You are not claiming extension to points east of Rivière du Loup?

Hon. Mr. DOUGLAS: No, not at all.

The CHAIRMAN: The moment the competition from American coal ceases?

Hon. Mr. DOUGLAS: Yes. We get into the competitive field west of Rivière du Loup.

The CHAIRMAN: How far have you been able to ship your coal west, Mr. Douglas, with the subvention from the Government, west of Montreal?

Hon. Mr. DOUGLAS: I cannot give you the point, but on the line up to Northern Ontario we have gone a certain mileage farther than we ever did before. There is a certain point when it comes into immediate competition with the American coal, and there it stops.

Hon. Mr. FERGUSON: I think in the central portions they have got about 150 miles, say, into Ontario from Montreal, and in the northern portions they have got beyond that.

Hon. Mr. DOUGLAS: It just moves the competitive point with the American coal so much farther west; for every cent of subvention it moves a point farther west.

Mr. ARMSTRONG: This morning we had Mr. Cuttle of the Canada Steamship Lines before the Committee and he gave us to understand that he would be willing to quote a rate from Montreal to Toronto and Hamilton, for instance, of 70 cents per ton, if I remember rightly. This did not include unloading at Montreal from the large boats that come from your province, nor of the unloading at Toronto or Hamilton. Would that rate assist materially in delivering coal to these two cities?

Hon. Mr. DOUGLAS: It certainly would; the question of the rate and the treatment and the conditions under which transfer is made. It works out this way; with the 12,000 or 14,000-ton boats that are used now in carrying coal from Nova Scotia to Montreal coal is being carried there at approximately 50 cents a ton.

The CHAIRMAN: Alongside at Montreal?

Hon. Mr. DOUGLAS: Alongside at Montreal. There have been lower rates than that and there have been higher.

Mr. ARMSTRONG: Well, the actual charges, at that rate, would not exceed, say, \$1.25 per ton, not including loading and unloading. Now, loading and unloading facilities that we have had placed before us, by men who have already appeared before the Committee, go to show that coal can be loaded for a very few cents a ton, say, five to eight cents a ton, while it can be unloaded at even less than that. What do you think of that proposition? Could you not operate within that price, I mean with that price and carry coal to Toronto and Hamilton?

Hon. Mr. FERGUSON: I gathered from Mr. Douglas that \$6.55 was the price of your coal delivered in Montreal, was not it, for consumption purposes?

Mr. ARMSTRONG: The representative from the mines at Nova Scotia gave us to understand that he was willing to agree, if there was a large volume of coal delivered at Montreal, to deliver it there at \$5 a ton.

Hon. Mr. FERGUSON: I was just taking the figures Mr. Douglas gave us at our Conference. 55 cents for transportation and \$6 must be for the coal. Unless the coal can be produced in Nova Scotia at less than \$5, for consumption in Ontario I see no future for it.

Mr. ARMSTRONG: This man definitely stated he was willing to undertake a \$5 per ton proposition if the volume was sufficient.

Hon. Mr. FERGUSON: That is mass production?

Mr. ARMSTRONG: Mass production. Then, take for instance, the grain boats that carry grain down to Montreal. They go back, or most of them go back light. Why cannot they carry coal to advantage?

Hon. Mr. FERGUSON: The point with me, Mr. Armstrong, it is not the transportation; that is not prohibitive in regard to Nova Scotia coal so far as Montreal is concerned; it is the cost of the coal itself. I do not think you can sell that in Ontario on that basis.

The CHAIRMAN: In competition with American coal.

Hon. Mr. FERGUSON: Yes.

Mr. ARMSTRONG: It is hardly fair to continue with that as a comparison, because we had the manager of the mines here before the Committee and he gave us to understand he was willing to make a \$5 rate at Montreal for that coal if taken in volume.

Hon. Mr. DOUGLAS: You must have misunderstood my statement, because Nova Scotia coal is running now about \$3.50, cost of the coal at the pit-mouth or on board ship.

Hon. Mr. FERGUSON: Then \$6.55; \$3.50 for the coal and 55 cents for transportation, where does the balance go?

Mr. CANTLEY: As a matter of fact the Canadian National Railways are having something like 650,000 tons of coal delivered on the St. Lawrence. The price of that coal delivered on the docks at Montreal and Quebec is \$5.25. Now, coal has been brought up to Montreal from Cape Breton in pre-war days for 50 cents. It cannot be brought up to-day at that price because freights are practically doubled, the cost of everything that is embraced in freighting is practically doubled. I put some figures on paper and submitted them, if you remember, to the witness this forenoon, Mr. Cuttle. We practically agreed as to the costs.

Hon. Mr. FERGUSON: In other words, you say, "We can give you coal at \$5 on the St. Lawrence. It costs us a dollar to transport that." That means four dollars for the coal. That agrees exactly with what they charged us in Alberta for coal, F.O.B. \$4.

The CHAIRMAN: That is the price quoted to you by the mines?

Hon. Mr. FERGUSON: That is what Ontario has been paying formerly—that has been brought down from Alberta—\$4 F.O.B.

Mr. CANTLEY: With the figures that Mr. Cuttle gave us as to possible transportation costs between Montreal and Toronto—we figured it out—the total freight from Cape Breton points to Toronto would be \$1.75. Now, Mr. Wolvin suggested that to meet the C.P.R. he was willing to shade the price paid by the Canadian National, to some small extent, if they would buy. You remember the evidence?

The CHAIRMAN: I remember the evidence.

Mr. CANTLEY: Mr. Britt said the Maritime Provinces coal was not worth within 25 per cent of American coal.

Hon. Mr. FERGUSON: Then to get down to this again, to put it in practical shape; \$4 for production and \$1.75 for transportation to Toronto, means you transport coal from Nova Scotia to Toronto at \$5.75. If you can do that you can make the market, on those figures.

Mr. CANTLEY: There is nothing left for the collier. The cost of production is four dollars, and \$1.75; there is nothing left for anybody except the transportation company and the buyer.

Hon. Mr. FERGUSON: I am speaking of the West where we actually buy coal at four dollars, produced and laid on the trains. That takes care of your colliery and miner and everybody else.

Mr. CANTLEY: You have American coal produced at one-half what we can do it in the Maritime Provinces.

Hon. Mr. FERGUSON: If we wish to get the trade away from the American coal fields we have to bridge that difference.

The CHAIRMAN: And the price of coal could not be raised without affecting your industries?

Hon. Mr. FERGUSON: Absolutely. Of course the governing costs up there is the Hydro rates, that is a more or less levelling factor.

Mr. ARMSTRONG: Have you any suggestion to make, in regard to the revising of the Fuel Board, making it more of a national character?

Hon. Mr. DOUGLAS: No, I have not.

Mr. BURY: Is there any report of the Conference; is there any report of the recommendations of the Conference obtainable?

Hon. Mr. FERGUSON: Yes, it will be printed and distributed.

Mr. BURY: I would be glad to get that.

Hon. Mr. FERGUSON: It is only the conclusions that are to be in the report.

Mr. BURY: The evidence is not reported?

Hon. Mr. FERGUSON: We did not take evidence the way you are taking it.

The CHAIRMAN: You are having the report printed and it will be distributed?

Mr. BURY: Do you know when that will be available, Mr. Ferguson?

Hon. Mr. FERGUSON: If it were of any value you could have it available any time.

Hon. Mr. BAXTER: It is only opinion.

Mr. ARMSTRONG: Have you any suggestions in regard to the Anti-Dumping Law, in regard to the exporters of United States coal?

Hon. Mr. DOUGLAS: I think that was very well covered by Mr. Baxter.

The CHAIRMAN: Mr. Ferguson, we would like to hear from you, what your experience has been in Ontario with the handling of Alberta coal. You have had several large shipments?

Hon. Mr. FERGUSON: I can tell you in a very few words. I think two years ago last fall—in the fall of 1924, if my recollection is right—by arrangement with the Canadian National Railways, they brought down to us some 6,000 or 8,000 tons of Alberta coal of a very good quality. We distributed that amongst 80 odd points throughout the province, trying to diversify the use of it, so we would get a very general view of its utility.

The CHAIRMAN: How far north, Mr. Ferguson, did you distribute that?

Hon. Mr. FERGUSON: We went up north as far as Timmins, and into that country. It was dropped off while being brought down. It gave a great deal of satisfaction. It was brought at the seven dollar rate, which enabled our people to buy it in competition with American coal. The factor, and the ash, and all that sort of thing, were very very satisfactory, as far as quality was concerned. We burned it in hotels, in lumber camps, and in private houses, and under a great variety of conditions. Since then, I think perhaps all told, on two or three occasions, there have been 50,000 tons more brought down.

Mr. BURY: 75,000.

Hon. Mr. FERGUSON: I think 75,000 was provided for, but I don't think it all came.

Mr. BURY: Yes, it did.

Hon. Mr. FERGUSON: Well, whatever it was, it was a reasonably substantial amount. This spring we distributed that over about 240 to 260 points—a very wide distribution. The verdict, generally speaking, was universally satisfactory. The condition under which it came was that the Alberta government should inspect and approve the quality, and it was shipped to the order of the provincial government in Ontario, and we took care of the freight and that sort of thing; in other words, the two governments acted as the agents. In that way, we were able to protect the people, by saying they should not buy from anybody excepting someone who was acting as a government agent. It gave a great deal of satisfaction.

Then the problem came up of the transportation cost, and Sir Henry Thornton took the position that they could not carry it at seven dollars. Two years ago, just about now, our government, feeling that the thing was vital to us, undertook an investigation of transportation costs—out-of-pocket costs. We retained an actuary and a couple of lawyers. They seemed to be a necessity, and you cannot get rid of them, someway—

Mr. BURY: If you want the work well done.

Hon. Mr. FERGUSON: If you want it well done. We wanted a rate expert, and realizing that it was difficult to get one in Canada who was not allied to one company or the other, we had to go to Chicago, and we secured a man who was very highly recommended; perhaps you may know him, Mr. Oliver. After going into the matter pretty carefully, they made a report to us that out-of-pocket cost on coal transportation from Alberta to Ontario was approximately seven dollars—I think \$7.04—to take care of the out-of-pocket cost under present conditions. Now, our view was this, as somebody has said here, that if you had quantity production, mass production, and the coal-fields of Alberta instead of producing 1,000,000 or 2,000,000 tons per year, would produce 5,000,000 or 6,000,000, it would reduce the overhead in the cost of coal at the source of supply, and that would inure to the advantage of the consumer. If the railways had more of their rolling stock in use, and during seasonal periods when it was not actually being used, during the winter, that coal could be brought down here, they could afford to keep that rolling stock busy almost at overhead cost and altogether, from a seasonal standpoint, increased production and that a seasonal transportation would combine to enable us to get that coal down here at a price which we could pay in Ontario, and make use of it. The quality is there; apparently the supply is there; apparently the whole difficulty is to get it down to the kitchen stoves.

As a result of this organization and inquiry, we applied, as perhaps you know, to the Railway Commission, and there was a hearing some time in April last—I think the 15th or the 16th of April—the application being that they should furnish us with certain information which would enable us to carry further our inquiry, to be more accurate and certain of our position. An order was made that there should be production of this information. It will take some time to get it ready; it will take a further period to investigate it and to make a reply, but I anticipate that the situation now is that perhaps this fall, by September or October, we will have a hearing before the Commission where the whole situation will be developed by counsel, after a careful inquiry. That is the position we are in, so far as our undertaking, and our dealing with the Alberta coal problems are concerned, up to the present moment. I would like to repeat that the coal is eminently satisfactory to us.

The CHAIRMAN: Was there any difficulty about shipping? Was it disintegrated by shipping?

Hon. Mr. FERGUSON: No, the disintegration is very slight. If you get a good quality from close to the foothills, like the Saunders Creek coal, and the Drumheller coal, it is a very good quality, and will burn with great satisfaction, with a minimum of clinkers and ash, and a very high standard of thermo quality, which makes it a very desirable coal.

We buy in Ontario, I think, about three million tons of anthracite for domestic purposes, and about ten million or twelve million tons of other coals for other purposes. That is a huge amount of fuel. If there is any way that money can be retained in Canadian channels, it will be of tremendous value to the Dominion of Canada, because when we send it down to Pennsylvania, we do not get a blankety-blank cent of it back unless we go down after it. It is our idea to retain our own money in the Dominion, and we are exceedingly anxious in Ontario to trade with the east and west. May I say this—not by way of boasting—that perhaps the two central provinces of Ontario and Quebec, in contributions, pay eighty per cent, or eighty-five per cent of the cost of government, and any losses in freight rates which will be charged to the Consolidated Fund of the Dominion, will have to be repaid, from eighty to eighty-five per cent, by us. Our people of Ontario, for the sake of getting Dominion fuel, and the development of Dominion interests, would cheerfully bear our portion of that extra cost, whatever it would be. There would be no difficulty about that, so far

as our feeling or attitude is concerned. So far as the general working out of the problem is concerned, that is, to my mind, more or less of a technical problem, for the traffic men and the coal men to work out.

The CHAIRMAN: It all resolves itself into a question of transportation?

Hon. Mr. FERGUSON: Yes.

Mr. BURY: We have been considering the question here in the committee of water transportation to Ontario, to points like Toronto particularly, from the head of the lakes, and we had some evidence given on that to-day. Would the Ontario government be prepared, for instance, to set up coal unloading facilities in Toronto, provided it reduced itself to water transportation?

Hon. Mr. FERGUSON: I do not think that question would ever come up. If you can develop the trade, the coal men in Toronto, with whom I have discussed this, will provide the facilities. There will be no trouble at all, in unloading either at Fort William or Toronto. The question will never be raised as to who shall do it.

The CHAIRMAN: If the quantity of coal is provided, they will provide the facilities?

Hon. Mr. FERGUSON: Yes.

Mr. ARMSTRONG: Is nine dollars per ton the best rate the railroad has offered you?

Hon. Mr. FERGUSON: Yes. I did not intend to discuss this, but we reached more or less of an impasse with the railways. They said we should pay nine dollars, and if there was any margin, they would pay us back.

Mr. CANTLEY: One second, before you leave that; my understanding is that you asked for a seven dollar rate, and finally the province of Alberta said "If the rate exceeds seven dollars, by one dollar, we will pay the dollar," and the province of Ontario said "If the rate exceeds eight dollars, and is up to nine dollars, we will pay the second dollar."

Hon. Mr. FERGUSON: That is the first I ever heard of that.

Mr. CANTLEY: Let me finish my story. I may not be correct, but that is the understanding I have. The outcome of it was that the Railway Department never submitted any cost sheets, showing that it cost them more than seven dollars to bring that coal down, and did not make any claim for any surplus guaranteed by both the Alberta and Ontario governments. I don't think there is any doubt about the arrangement—

Hon. Mr. FERGUSON: You say they did not make any claim?

Mr. CANTLEY: Yes.

Hon. Mr. FERGUSON: I fancy you have not seen the correspondence.

Mr. CANTLEY: I was told they made no claim.

Hon. Mr. FERGUSON: It was carried on with me directly. If I may, I would like to say a word about that. There is no dispute about it. It is a matter of record.

Mr. CANTLEY: We will be glad to have the facts, because that is the representation that was made to me.

Hon. Mr. FERGUSON: The railways were urging that we should pay more than seven dollars, and I had some correspondence with the Prime Minister, Mr. King, about it. My recollection of it is this; that some time in March, I wired him as a result of some overtures we had, saying that the province of Ontario and the province of Alberta—and this was after communicating with Mr. Brownlee—were prepared each to bear one-third, if the Dominion Government would undertake to bear one-third of any excess in cost over seven dollars.

The CHAIRMAN: That is, the Dominion Government, the province of Ontario, and the province of Alberta?

Hon. Mr. FERGUSON: Yes. The reply that came was that the railways insisted upon a payment of nine dollars as a minimum charge, and if there was any excess in that above the actual cost, they would return the excess to us.

The CHAIRMAN: The excess over nine dollars?

Hon. Mr. FERGUSON: Over seven dollars. If it only cost us seven dollars, they would send us back the two dollars. That was the position, which was taken; that is all of record in telegrams between the Prime Minister and myself. I am not sure whether or not Sir Henry Thornton was not in on it, but it is all a matter of record. We took the position, and the province of Alberta as well, that the provinces were not responsible for it, but we guaranteed it, because any more than the seven dollars would be paid in proportion, and that is my recollection of it at the moment. Of course, that is subject to verification, but my recollection is that the Prime Minister, Mr. King, approved of that arrangement by way of telegram, and then the railway said very emphatically and very definitely "No"; you can pay us the higher amount, and if it costs less, we will give it back to you.

Mr. CANTLEY: My reference is to the coal depreciating. Take for instance Cape Breton coal, distribute it as far west as Toronto. The Harbour dues in Montreal are seven and a half cents a ton, and we were told here by two witnesses what the harbour dues were in Toronto.

Hon. Mr. FERGUSON: I cannot give you any information as to what the harbour dues are in Toronto. That is entirely dealt with by the Harbour Commission.

Mr. CANTLEY: The harbour dues are an important factor.

Mr. ARMSTRONG: Mr. Ferguson, taking that \$9 rate, as definite from the railways, we had Mr. Vaughan here before us, and I asked him if the railways would take a portion of that \$9 rate, which would carry the coal from the Alberta mines to the head of the Lakes. That is \$5.40 in round figures, in proportion to the mileage. He said they would. I am merely putting this to you as a proposition. Mr. Vaughan said they would accept that rate. We had to-day a Mr. Cuttle before us; he is at the head of the Transportation end of the Canada Steamship Lines. This gentleman said that if the province of Ontario would agree to accept 500,000 tons of Alberta coal, he would carry that coal from Port Arthur and Fort William and deliver it to any port on Lake Huron, or a Georgian Bay port, or at Point Edward, at the entrance to the waters of the River St. Clair, for fifty cents a ton. And in addition to that, he would carry the coal, for five cents more, down to say Wallaceburg and Windsor, and on to Lake Erie ports for about the same. And if the Welland Canal were deepened to the depth that it is supposed to be deepened, they would carry that Alberta coal to Hamilton and Toronto for a very few cents more. Now with a proposition like that, would you as Premier of the Province of Ontario, seriously consider a proposition to take 500,000 tons of Alberta coal?

Hon. Mr. FERGUSON: Mr. Armstrong, you would find the province of Alberta would be delighted to get orders from Ontario for 500,000 tons. They are the selling agents.

The CHAIRMAN: But your figures did not include the cost of loading and unloading.

Mr. ARMSTRONG: That figure of fifty cents did not include the cost of loading, but it did include the cost of unloading, because the transportation company said they would expend \$800,000 in equipping their boats with self-unloaders that would unload a boat in a few hours. He said this morning that with proper loading facilities, a boat could be loaded at eight cents per ton.

I am in a position to place before the Committee to-morrow, sufficient evidence to show that it can be loaded for less than half of that, with proper loading facilities. Now, with these conditions facing us, would you be prepared to seriously consider a proposition of that kind?

Hon. Mr. FERGUSON: We would be prepared and delighted to assist the province of Alberta in trying to introduce their coal into Ontario, and to dispose of it there, to the amount of half a million or a million tons of coal. But, we cannot do it unless the province of Alberta will undertake to produce coal of proper quality.

Mr. ARMSTRONG: Then we come to another question that I want to ask you. Mr. Vaughan of the C.N.R. gave evidence to this Committee the other day, to the effect that he does not allow a car of coal to come from any mine in the province of Alberta without its being inspected by the inspector appointed by the C.N.R. company. Would you, as Prime Minister of Ontario, consider the appointing of inspectors whose duties would be to be placed at the mines in the same way that the C.N.R. place their inspectors at the mines in Alberta to see that the coal is properly graded and inspected before it leaves the mine?

Hon. Mr. FERGUSON: I take it, Mr. Armstrong, that that would be a function of the province of Alberta. If they want to sell their coal, they should give a proper quality, bulk and grading and proper approval, and our understanding with them when we went into it was that they should approve of every pound of coal that was shipped. It should be their inspection, and their certificate should be given. It would be a difficult proposition for the province of Ontario to send inspectors, who would have no authority whatever in the province of Alberta, to check up cars of coal.

Mr. ARMSTRONG: I am taking into consideration the fact that the province of Alberta would co-operate in that inspection.

Hon. Mr. FERGUSON: There is an old maxim of "Caveat emptor" that I would expect to see in operation. If I am going to buy coal I think I am interested in seeing the quality and the man who vends his stuff should be prepared to guarantee the quality of the article; otherwise, I could not buy it.

Mr. ARMSTRONG: I may say now, from the information I have received from reliable sources, that I think the best way for you to protect the people of Ontario, who would like to consume Alberta coal, would be to obtain from the province of Alberta the right to place inspectors in those mines, in the same way that the C.N.R. are doing.

Hon. Mr. FERGUSON: I suppose on that basis, we ought to have inspectors in the canneries of British Columbia, to see that we do not get bad salmon, and so forth. The province of Ontario could not go the length of protecting the individual purchaser on the basis of quality. We assume that our people have some judgment and ability to judge for themselves what coal they will buy.

Mr. ARMSTRONG: That would protect the consumer as far as the quality is concerned. Then as far as the distribution is concerned?

Hon. Mr. FERGUSON: Do not you think that the reasonable thing would be to say to the Alberta Government; "You are vitally interested in this product; now, you must guarantee the quality of the product, if you are going to sell it to other people, and we will accept the inspection of Alberta, that you will give us nothing but what is good." There was perhaps a little more than that and owing to the rush of things, I may not be perfectly exact, but generally speaking, that was the position.

Mr. ARMSTRONG: We have asked Mr. Camsell to prepare a map showing the section of Alberta from which the very best quality of domestic coal can be obtained, and submit that to us at a later date. Would you care to investigate that end of it?

Hon. Mr. FERGUSON: I would not only care to, but I would probably desire to go out there myself and pick up what information I could in a personal way. I discussed it with the mine operators, and the provincial Government two years ago, to try and secure a guarantee of quality to the people of Ontario, and I would be glad of any information of that kind that would be of assistance, and that would be valuable assistance to us.

Mr. ARMSTRONG: Have you any suggestion that you would make as to a National Fuel Board?

Hon. Mr. FERGUSON: I do not know anything about that. I think we should have a national fuel policy, but how to operate it is a question of policy for the Government, and I am not here to advise the Government, and I do not suppose they would accept my advice.

Mr. ARMSTRONG: Well, I am going to ask you the same questions that I asked the other gentleman. Have you any suggestions along the line of making use of the anti-dumping law, or putting an end to the importation of coke from the United States?

Hon. Mr. FERGUSON: If I ever come to the Dominion House—I do not think I ever will—I will be glad to give the Government the benefit of my views on Dominion policy.

Mr. BURY: As Colonel Cantley has left the room, reverting to the old arrangement with Alberta, it was that the C.N.R. would ship at a \$7 freight rate, with a check-up by the province and the payment of anything in excess of \$7; the payment of anything in the way of operating costs over the \$7, subject to that check-up.

Hon. Mr. FERGUSON: I do not think I understand your question.

Mr. BURY: The original arrangement was that the railway company was to get \$7 plus whatever it cost them over the \$7, and that excess was to be determined by a check-up.

Hon. Mr. FERGUSON: I happened to make the arrangement myself with Sir Henry Thornton down here in the Chateau Laurier. The original arrangement was to pay a flat \$7 to try out this, and he was as much interested as I was apparently in trying to develop a Canadian fuel policy. That was flat \$7. There was never any question of excess over the \$7 until this spring.

Mr. BURY: Was there not to be a check-up of the operating costs by the province?

Hon. Mr. FERGUSON: Yes, but that was with a view of some day going before the Railway Board, and making out a case for a lower freight rate on coal, and we were checking up the actual out-of-pocket costs of carrying coal. There were various factors to be considered; for instance, the returned empty cars, going back. There is a charge made the same as if they were hauled back as full cars.

Mr. BURY: A hundred per cent, I think, they charge.

Hon. Mr. FERGUSON: In the national development of our coal reserves, we should be prepared, right to an absolute minimum to state the out-of-pocket expense.

Mr. GARLAND (Bow River): Why was not that checked up?

Hon. Mr. FERGUSON: What happened was this, Mr. Garland. As I said a moment ago, we retained counsel and created an organization and we understood, rightly or wrongly that we were to have an opportunity of discussing with them the methods of keeping track of the costs of what was properly chargeable as the out-of-pocket expenses, eliminating certain charges, such as I have mentioned. Evidently, there was some misunderstanding about it, because when it came to the point that we wanted to check up, we understood

that they had agreed to keep track of their costs, and keep their books in accordance with certain principles we had laid down, but they declined to do it. That is the Canadian National Railways. Why, I do not know.

Mr. FLEMMING: You said you made an investigation in respect of the cost of conveying Alberta coal, and had figured it at a little in excess of \$7?

Hon. Mr. FERGUSON: Yes.

Mr. FLEMMING: In reaching that conclusion did you take, or did your experts, take into consideration all overhead charges, and, first, actual haulage costs?

Hon. Mr. FERGUSON: I cannot discuss the detail of that with you. After having the widest possible authority to make an enquiry, and to take into account any factor that they thought bore upon the problem, or influenced it in any way, they were to make a report, in which they said they had considered every conceivable phase of the situation, and it was their belief that the amount required was \$7.06. That report is available, for what it is worth.

Mr. FLEMMING: That would be exceedingly valuable information, if we can get it.

Hon. Mr. FERGUSON: I have no doubt you can have the people here who made the investigation for us. I am not an expert and can not give you details of the report, but you can have Mr. Oliver here.

Mr. GARLAND: Where is Mr. Oliver?

Hon. Mr. FERGUSON: He is a Chicago man.

Mr. GARLAND: Did not he appear before the Board of Railway Commissioners, on your behalf?

Hon. Mr. FERGUSON: I do not know.

Mr. GARLAND: You know that counsel was retained to appear before the Board of Railway Commissioners?

Hon. Mr. FERGUSON: We had two counsel retained, and a traffic expert. Mr. Oliver was really the expert man. A record of the costs, etc., will be there.

Mr. GARLAND: Mr. Oliver was there?

Hon. Mr. FERGUSON: Yes.

Mr. ARMSTRONG: Just one other word in regard to lake and rail. I know you are anxious to get away, and we appreciate, more than we can tell, your coming and all the rest of the gentlemen. This morning we had before us a representative of the Canada Steamship Company, who said he was willing to undertake to make a test case, or a test of several shipments. I put the proposition to him that at Duluth there is, at the present time, an up-to-date dumping machine, standing idle, owing to a story which I am not at present able to divulge, and which is available, for use in unloading coal from the cars into the boat, and we could make several tests in that way, at different points on the lakes. You would approve of that and would be glad to assist, I am sure.

Hon. Mr. FERGUSON: Oh yes, I would be very glad indeed. I fancy one of the difficulties would perhaps be—I should not say this—

The CHAIRMAN: Yes, that is what we are here for.

Hon. Mr. FERGUSON: If you are going to have a very low rate for the carrying of coal into Fort William, then you will have pressure brought from Manitoba and Saskatchewan to get a reduction in the cost of hauling coal to those Provinces.

Mr. ARMSTRONG: I am merely telling you that the \$5.40 rate will not, in any way, interfere.

Hon. Mr. FERGUSON: If you can get us coal, any way, that will compete, so that people can buy coal in competition with American coal, all the Ontario purchasers of fuel will buy the Alberta or Nova Scotia coal. If you are able to do that, this Committee will have done the biggest thing for the country.

Mr. ARMSTRONG: I think these gentlemen are anxious to get away.

The CHAIRMAN: The Hon. Mr. Craig, the Attorney General of Manitoba, is here, and we would like to hear from him.

Hon. R. W. CRAIG (Attorney General of Manitoba): Mr. Chairman, I did not come here to say anything, except to acknowledge the courtesy extended to the Conference by the Committee, and to say, as representing a consuming province, rather than a producing province, that anything that would accomplish the object of this Committee would meet with the utmost co-operation on the part of the Province of Manitoba.

I do not think that this particular feature of the matter has come before the Committee already. If it has, I can only confirm it. In the Province of Manitoba, the mind of the consumer of coal has undergone a complete change in the last ten years, which has been brought about by the war, because before the war we were receiving practically no Alberta coal, and during the war we had to resort to soft coal. To-day, by virtue of the activity of the Government of Manitoba, principally, the situation has completely changed. I think that Alberta coal has almost altogether supplanted all the other coal supply in Manitoba.

It is true that American anthracite coal is used to some extent, still. The Alberta Government undertook a very active campaign, both by education and actual demonstration in the City of Winnipeg. This demonstration was conducted by agents of the Government and it has completely removed all prejudice that existed, and actual experience has shown their effort to be completely justified, and their aim realized.

I can only say, insofar as Manitoba is concerned, that as a consuming province, we will certainly do everything we can to insure, by whatever co-operation we can extend, the adoption of what has been called "National Fuel Policy," which would be to the benefit of the whole of Canada.

Mr. Douglas has suggested that I read a statement prepared by the Conference in connection with this. (Reads):

"CONFERENCE OF PROVINCIAL PREMIERS
Fuel Production and Distribution

At the conclusion of the discussion, on the motion of the Hon. Mr. Douglas, seconded by the Hon. Mr. Gardiner—It was resolved—

This Conference recognizing that the coal fields of the Dominion are capable of producing ample fuel for its domestic and industrial purposes, that Canada imports annually 15,000,000 tons of coal at a cost to our people of many millions, and that the national interests demand that the coal industry should be stabilized and further developed to ensure the use of the Canadian product, is of opinion that the Government of Canada should take immediate steps to ensure the establishment of coking plants in the large centres of population, and the adoption of such other measures by the Dominion as will enable Canadian coals to be marketed in the central parts of Canada, thus aiding in the development of inter-provincial trade and utilizing to the fullest possible extent one of our most important natural resources."

May I just add, Mr. Chairman, this, from the standpoint of Manitoba? Some years ago, by co-operation of the Saskatchewan and Manitoba Govern-

ments, and with the assistance of the Dominion Government, quite a large sum was expended in the experimenting, at Bienfait, of briquetting lignite coal of Saskatchewan. Doctor Camsell will give the Committee the result of those experiments.

Mr. ARMSTRONG: Mr. Craig, it is not many years since large quantities of American anthracite coal was brought to Winnipeg by lake and rail. Have you any idea what it cost to carry that coal from the Lake Erie ports to Winnipeg?

Hon. Mr. CRAIG: No, I have no knowledge of the details.

Mr. ARMSTRONG: We have had representatives here who said the cost by lake was only about 35 cents, if I remember rightly, from Lake Erie ports to Port Arthur and Fort William. You have no knowledge about that?

Hon. Mr. CRAIG: No, except this. I think it was the custom of the trade to bring in their coal supplies to the head of the lake, at Fort William and Port Arthur, during the period of lake transportation, and then move it in the winter months.

Mr. ARMSTRONG: In fact, a representative of the Canada Steamship lines said this morning that the cost was 37 cents, if I remember rightly.

Hon. Mr. CRAIG: I have no knowledge of it.

Mr. ARMSTRONG: However, what I want to ask you in particular is this: with the opportunity of investigating which I have had, I understand that this has only been within the last few years, that Manitoba has been using Alberta coal as the bulk of the coal used in the City of Winnipeg.

Hon. Mr. CRAIG: That is correct.

Mr. ARMSTRONG: Previous to that, you had considerable trouble, did you not, with Alberta coal?

Hon. Mr. CRAIG: Well, we had considerable trouble; we had not had much experience with Alberta coal.

Mr. ARMSTRONG: The City of Winnipeg had serious difficulties up to within the last year or two in the handling of Alberta coal, owing to the fact that they were using different grades and standards of coal. Is not that a fact?

Hon. Mr. CRAIG: Yes, that has been so to some extent. That has been largely cured by business competition. I may say that I have burned Drumheller and Saunders Creek coal, principally, in my own furnace. Sometimes, in the severe winter months, I have burned American anthracite coal. The Alberta coal successfully competes with the anthracite coal.

Mr. ARMSTRONG: That is all right for a man like you who knows exactly what he is doing, but the average citizen is not in that position, in the City of Winnipeg.

Mr. HOWDEN: These coals are all sold under title.

Hon. Mr. CRAIG: We have to rely on the coal dealers, and they have to protect their own reputation, which keeps the customer straight.

Mr. ARMSTRONG: I can only say that if the coal shippers are allowed perfect freedom in regard to the shipment of coal from Alberta into the Province of Ontario, we will get into a serious proposition.

Hon. Mr. CRAIG: We, in Manitoba, have never known the necessity for inspection at the pit-mouth.

Mr. ARMSTRONG: There are only certain districts from which you receive your coal, in the City of Winnipeg. Is not that a fact?

Hon. Mr. CRAIG: Yes. But we receive coal from quite a number of districts in Alberta.

Mr. ARMSTRONG: They cover a pretty wide range?

Hon. Mr. CRAIG: Yes. And the amount of consumption varies, as does the price.

Mr. ARMSTRONG: They bring in different grades of domestic coal, that you are consuming in the City of Winnipeg?

Hon. Mr. CRAIG: There are easily a dozen, and perhaps fifteen to twenty.

The CHAIRMAN: Is there any trend, on the part of the coal dealers, to mix these coals?

Hon. Mr. CRAIG: I never heard any serious complaint about that.

Mr. HOWDEN: They are sold under title.

Mr. BURY: I do not think there is the slightest foundation for that, because the Alberta Government is keenly alive to its own interest, to prevent bad coal being shipped to Manitoba.

Mr. ARMSTRONG: I think, if the people of the Province of Ontario, have twenty-five different grades of Alberta coal coming down, we are going to get into all kinds of trouble. And there will have to be some means devised to stop it.

Hon. Mr. CRAIG: When I speak of grades of coal, I am not a technical man. In Winnipeg the grade depends on the particular field from which the coal comes; I do not think there is much difference in the grades.

Mr. BURY: It is just the name of the mine.

Hon. Mr. CRAIG: Yes. The coal dealer is usually dependable enough to advise the consumer. For instance, a coal dealer who is selling Saunders Creek coal, which is the most expensive coal, will tell you it is expensive, but gives the best results, as it has the most heat units. At the same time, I would just as soon burn what we call ordinary Drumheller coal, as I would burn Saunders Creek coal.

Mr. ARMSTRONG: You do not think the coal dealer takes into consideration the amount of money he would make on the coal?

Hon. Mr. CRAIG: No, I think the reputable coal dealer is not influenced by that.

The CHAIRMAN: You get the kind of coal you pay for.

Hon. Mr. CRAIG: If the coal dealer has a contract with some particular coal operator, naturally he would want to push their product. Any abuse in that line is cured by competition.

Mr. ARMSTRONG: I presume the C.P.R., buying millions of tons of coal, would not have inspectors at the mine if they had such perfect confidence in the mine owners.

Hon. Mr. CRAIG: I did not say "mine owners"; I said "coal dealers". The coal dealers have some way of protecting themselves in dealing with the people they deal with.

Mr. ARMSTRONG: It was another question I put to you just now. You think it is not the part of wisdom to have an inspector at the mine, when buying millions of tons of coal?—A. I might say this, I do not think that would be a question for the ultimate consumer.

Q. It is a question for the government?—A. A question for the government.

Q. The government which is protecting the consumer?—A. They want to see that the development of the industry is such that it is going to command a market elsewhere. We found out yesterday and I am inclined to think we ought to inspect the coal before it is shipped.

Mr. BURY: I am quite certain that the Province of Alberta is not going to let bad coal come into this eastern market. It is spending enough money per year now to obtain this market.

Mr. ARMSTRONG: I can bring people here who have received cars of coal from Alberta within a year that contains all kind of dirt and even grass.

Mr. BURY: It has been mixed down here.

Hon. Mr. CRAIG: We do not have any such regulations as that in connection with American anthracite coal and I do not know why we should have it in our own province.

Mr. GARLAND (Bow River): As a matter of fact, I think it would be entirely satisfactory, and everybody would be well satisfied if they understood that the Alberta government had provided a proper check on that coal. I may say that if you proceed further in an examination of this kind, we are merely wasting time. This Committee has no power to tell the Alberta government what to do nor has any other province. The Province of Alberta would not consent to the Province of Ontario, or the Federal Government appointing inspectors to look after our affairs in Alberta.

Mr. ARMSTRONG: Does the Government of the Province of Alberta object to the inspectors of the Canadian National Railway being located in their mines?

Mr. GARLAND (Bow River): That is probably an arrangement between the mine operators and the railways themselves. I know nothing about it.

Hon. Mr. CRAIG: The experience of the last ten years in the Province of Manitoba is that the Alberta government is making itself responsible in connection with the coal that is being shipped out. There is really no serious complaint and maybe, the Government is responsible, or it may be the mine owners, I do not know which, but conditions in regard to the quality of the coal have been generally satisfactory.

The CHAIRMAN: We will hear Mr. Charles D. Richards, Minister of Lands and Mines, New Brunswick.

Hon. CHARLES D. RICHARDS: Mr. Chairman, it is perhaps not entirely correct to say that I was desirous particularly at this stage of taking up the time of your Committee to discuss this subject. I say, particularly at this stage, because the viewpoint of the Province of New Brunswick was very well covered by the Premier, Mr. Baxter. I may say that I came here not at all prepared to discuss any technical matters connected with this subject. I am not familiar with that at all, in fact I had no anticipation of being here whatever, but, being here, I do feel that I might take this opportunity to endorse what has been said by Mr. Baxter, and by the others that we feel strongly that whatever suggestions have been made, particularly suggestions of a subvention, or whatever it might be called, assistance in the way of freight rates in order to facilitate the transportation of coal from the Alberta fields or the Maritime fields, while it may seem to work some hardship by a contribution from some provinces, I feel the advantages which would accrue would more than offset that.

That question is not a local one, or is not a maritime problem, but it is a problem which affects Canada as a whole, and the development and utilization of our own natural products and the endeavour to stimulate and develop our own industry. That is something that is vital to the whole Dominion. I am not going to elaborate. I want to impose that as my own personal view.

Coming to my own province, I may say again, that we, in common with Nova Scotia, have quite a large relatively, not nearly as large, of course, but quite a large field of bituminous coal.

We have obtained a market to some extent with the Canadian Pacific Railway and the Canadian National Railways, but that market has been restricted and the Canadian Pacific as Mr. Baxter stated, have not been

particularly helpful recently because they have suggested that the coal is not as useful for them as other coal. That has been disputed by some of our operators.

I am not in a position to discuss the matter of units or the steam producing capacity of our coal relatively to other coal.

I would like, right here to suggest this point, the Premier mentioned the name of Sir Thomas Tate, one of the operators in the Minto district, and I would like to say, if you wanted to have one of our operators from our own province who has given a great deal of attention to this subject I would suggest the name of Mr. A. D. Taylor, who is a member of our House. He is manager of one of the companies operating in the Minto district and is familiar, not only with the technical details, and working conditions, but has given a great deal of attention to these matters regarding the fuel value of the Minto coal relatively with American coal, both bituminous and anthracite.

Some questions were raised as to the price of coal and I might say that I have a report with me. This may seem to belie the statement that I did not come prepared, but I threw a few reports in my bag on coming away and I happen to have a statement of the coal production and report of the officer in charge for the year 1925. I looked this up and he has the average price for the run-of-mine f.o.b. Minto, for 1925 at \$4.09. For Green coal it was \$4.60, varying between \$4.99 and \$4.22. I just mention these figures in order that you may have them. These figures are for the year 1925, and they would not vary much at the present time. They run from \$4 to \$4.50.

Mr. Baxter has spoken of the comparative freight rates, and you already have that information.

Our coal areas are not so very large but estimates have been made that we have quite a deposit of coal. The seam is small, but with a large output I am satisfied the cost could be very materially reduced. That is information I have from the operators.

The district is not in a comfortable condition at the present time, and anything that might be done in this direction would be very helpful, of course, to that district, but I do not mention it particularly because of the local situation. I do not think I need take up the time of your Committee further. I appreciate your having called upon me, and if there are any questions I will be glad to discuss them.

By Mr. Flemming:

Q. Do you know the rate from Minto to St. John?—A. \$1.35.

Q. Do you know what it is from Sydney to St. John?—A. I do not know; it is less.

Q. Nova Scotia coal comes into St. John much more freely?—A. Yes, they can undersell us.

By Mr. Bury:

Q. They undersell you in New Brunswick?—A. Yes. When I say underselling, they do not do that. They have been using it for wharves, and in public buildings. Sometimes the prices quoted on Nova Scotia coal may be higher than some from our own operators.

By Mr. Armstrong:

Q. Would you be familiar with the rate to Sherbrooke?—A. No, the Premier mentioned \$2.75.

Q. That is Montreal.—A. It may have been \$2.55.

By Mr. Bury:

Q. You could decrease the price at the pit-mouth by the use of machinery; machinery for mining?—A. Experience has been that with the Minto Company the operating by machinery has not very greatly reduced the expense. Operators who are operating machinery may be producing as economically as the Minto Company, and operators who are operating the other way are also producing as economically.

Q. I thought the output would be much greater.—A. It might be possible. Recently they have not been doing as well; they have had some difficulties, owing to labour conditions.

By Mr. Howden:

Q. Are you disposed to think that the proposition submitted by Premier Baxter would go a long way towards helping the situation?—A. I am satisfied that it would be of material assistance. We have to accept the statement made by gentlemen who ought to know.

Q. That entails getting a rate from the east, such as we are trying to get from the west?—A. Yes. His suggestion did not go as far as a \$7 flat rate from Alberta.

F. M. WATTLES called and sworn.

The WITNESS: Gentlemen, I came here on the suggestion of Mr. Enderby, the General Manager of the Canada Steamship Lines and I represent the Century Coal Company, which is a subsidiary of the Canada Steamship Lines.

We are coal merchants handling a considerable tonnage of coal, not only from one section of the States but from various sections. We handle coal at Fort William, Port Arthur, at the Soo, Georgian Bay, Sarnia, Port Stanley on Lake Erie, Port Colborne, Toronto, Montreal and Quebec. We are more or less a means to an end for the Canada Steamship Lines. We sell them, of course, all of their coal requirements. Up until 1925 we were handling considerable Dominion coal, but at the beginning of 1925 we were told by the Dominion Coal Company that they had adopted rather a rigid operation as that they preferred to sell all their coal direct, sort of eliminating us and we were Dominion Coal Company that they had adopted rather a rigid operation, so forced to import from the States coal with which to bunker the Canada Steamship Lines. I would be glad to answer any questions you gentlemen would care to ask.

By Mr. Armstrong:

Q. Would you give us some of the lowest rates for loading and unloading coal with up-to-date machinery at different ports?—A. For instance, on Lake Erie, at Toledo and Sandusky, they have machinery, which permits them not only to make a very low rate on the coal for trans-shipping, but they also claim they handle or dump coal for actual cost, which naturally is satisfactory. That is with modern machinery, where the car is tipped over.

Q. In unloading with modern machinery, what would be the rate?—A. Eight cents a ton is the charge.

Q. Eight cents a ton?—A. Yes.

By Mr. Bury:

Q. That is where they pick the car up by machinery; they take the whole car up and dump a carload at a time?—A. Yes.

By Mr. Armstrong:

Q. That includes the cost of running the car on to the dump?—A. I could not tell you what it includes. The machinery, I know, picks the car up and

[Mr. F. M. Wattles.]

puts it on the dump, and keeps speeding, and the coal is dumped out of the car which is taken up in an elevator and is turned over and comes back and moves by gravity to the track.

By the Chairman:

Q. That is a modern machine?—A. Yes. They dump the coal from the car into what are called barrows, each one holding 150 tons. The steamship then gets underneath and coal is shot down out of these chutes into the hold of the vessel.

By Mr. Armstrong:

Q. What does that cost?—A. The rate from West Virginia, where the best coal originates, is \$2.60 to Hampton Roads. The charge depends upon the type of vessel and it varies from about nine cents to about twenty cents. For instance, a certain type of steamer, I think the charge is nine cents, that would be for a single deck steamer, and a double deck would be fourteen cents, and then there are still other charges.

Q. But, what I would like you to give us is the cost of handling at the port. You outlined to us the operation of dumping the cars into these chutes, that would be done in the case of large vessels?—A. Yes.

Q. What does that cost, that transfer?—A. That is included in the rate of \$2.62 cents.

Q. You do not know what the actual cost would be?—A. No.

Q. You gave a price of eight cents, where would that apply?—A. On Lake Erie.

Q. Where?—A. At Duluth, Sandusky, Huron and Cleveland.

Q. They have this unloading apparatus?—A. Yes.

Q. Can you give us an estimate of the amount of coal carried on the lakes from these ports?—A. To the American and Canadian docks?

Q. Yes.—A. Something like 28,000,000 tons.

Q. It would be more than that from all ports?—A. That is the total tonnage, I think, that goes by lakes; some of it goes to Duluth, Superior and Lake Michigan points.

Q. People would purchase this coal preferring to have it dumped into the boats and taken to its destination by boat rather than by rail?—A. Yes, because the combination of rates works out to a much lower basis.

Q. Do you know what the rate is from Port Arthur, for instance, from Duluth?—A. I think, roughly, the rate from Lake Erie is between 30 and 40 cents, bituminous coal.

Q. That is Duluth?—A. Yes, the same rate I believe prevails to Port Arthur and Fort William as to Duluth and Superior.

Q. Do you know anything about the coal dumping facilities at Duluth?—A. Unloading facilities?

Q. Unloading and loading facilities?—A. They are equipped with more modern machinery. In most cases they can discharge at the rate of 500 tons an hour or more. In other words, companies entitled to a 35 to 40 cent rate must satisfy the steamship owner that he can discharge a boat in record time.

Q. At 500 tons an hour?—A. Yes, or more.

Q. They have not any of these appliances at Port Arthur?—A. Yes, sir.

Q. Are they as well equipped?—A. Some docks are; for instance, Fort William Coal and Dock Company have, I believe, three bridges, and can discharge, I would say, at the rate of 500 tons an hour.

Q. Are these unloaders located on the boats?—A. No, sir; they are moveable bridges located on the docks.

Q. What is the cost for unloading?—A. The labour cost would probably be under ten cents a ton, after taking into consideration the depreciation on the machinery, or the investment, the capital investment necessary.

Q. You would not be surprised if that coal could be unloaded at other ports for nearly half that amount, would you?—A. No, I would not with the combination of labour and with a fast bridge. With a fast bridge coal can be unloaded at a labour cost of five cents a ton or even less. That is the beginning of the expense involved.

Q. That is with up-to-date appliances?—A. Yes.

Q. Quick unloading machinery?—A. Yes.

By Mr. Bury:

Q. What did you mean by saying that is the beginning of the expenses; what other expenses would have to be added to the five cents?—A. First of all the investment in the land, its rental.

Q. You mean, legal costs?—A. Yes.

Q. The wages of the men?—A. Yes.

Q. They could not, unless they were equipped with this up-to-date machinery, expect to do the work at that rate?—A. No, sir. The rate for unloading coal along the Atlantic coast, and along the Lakes, I understand, is 35 cents a ton, and there is a profit in there, of course. That is what we are charging in Montreal at the Windmill Point plant, 35 cents a ton to discharge a cargo. We merely pay wharfage and unloading, seven cents wharfage and eight cents unloading.

Q. Seven cents wharfage?—A. Yes, that is what they charge.

By Mr. Armstrong:

Q. What do you charge for unloading at Toronto?—A. We really have not facilities at Toronto for unloading any quantity of coal, furthermore, there are no rates out of Toronto on coal. The coal we handle in Toronto, probably 100,000 tons, is brought in across Lake Ontario and from Lake Erie. It is put in, some of it in self-unloaders, and in other cases, in bulk freight steamers. We unload it at the dock and cart it away for local consumption. We have tried several times to get rates on carload lots. For some reason we were unable to get them, and we were refused rates.

Q. You have not any up-to-date facilities as far as Lake Ontario is concerned?—A. No, we endeavoured to get a lease from the Harbour Commissioners at Toronto for certain docks, and told them if they would give us a lease we would put up a modern coal unloading plant. They did not seem to want to meet with our views, so we dropped the matter.

Q. Have you up-to-date unloading devices on Lake Erie?—A. I would not say up-to-the-minute; no.

Q. Have you unloading machinery at Port Stanley?—A. We just started Port Stanley last year for the London market, and leased some water front property from the Port Stanley railroad.

Q. Where would the coal come from; what port on the American side?—A. Mostly from Sandusky.

Q. What would be the rate from Sandusky to Port Stanley including the unloading?—A. Fifty cents a ton.

Q. What is the rate from Port Stanley to London?—A. On bituminous coal I think there is a rate of \$1.10, speaking from memory.

Q. Ninety cents on the electric?—A. Well, it is \$1.10 from Black Rock.

Q. What facilities have you on Lake Huron for unloading?—A. We have nothing. We handle coal for the railroad companies in Georgian Bay and we

have a modern plant with a coal bridge. At Byng Inlet we handled last year, probably 100,000 tons. There, the unloading charge was included in the main charge.

Q. Where did you bring the coal from that you unloaded at Midland?—A. From various ports, mostly Lake Erie.

Q. You would have to go across Lake Huron?—A. Yes, we go up the river, and in around the bay there.

Q. What was the cost of carrying coal from Lake Erie to Midland?—A. Forty-five cents a ton in bulk lake steamer.

Q. That includes the unloading?—A. That does not include the unloading.

Q. What is the charge for that?—A. The dock handling charges, including unloading, storing, and reclaiming, will run around fifty cents a ton; that is, with a modern dock.

Q. You do not mean that is the cost of unloading? You are including a number of charges in that, are you not?—A. We are including depreciation and everything.

By Mr. Bury:

Q. That is what an unloading company would charge for doing the work?—A. Yes, sir; in other words, if you were to build a dock at Toronto, and equip that dock with modern coal-handling machinery, the stevedoring company or the warehouse company, or whatever you might call it, would find, I believe, that the actual cost, everything considered, for taking that coal out of the ship, storing it, and reshipping it on orders, would range from forty to fifty cents per ton. For instance, the Harbour Commissioners in Toronto charge you five per cent on the valuation of \$40,000 per acre; at least, that is what they charge us for handling it.

Q. That is, for storage?—A. That is water front storage, unimproved.

Q. Have you seen the operations of these big American unloading plants, that unload these big cars?—A. Yes, sir; I have operated them.

Q. What kind of coal, anthracite or bituminous?—A. Both.

Q. Now, in the operation—you get my point—of the unloading of coal in that enormous quantity, by the carload, bituminous coal;—does it degrade? In other words, can the coal stand the handling without much degradation?—A. Coal screened at the mines over one and one-half inch round hole shaker screens, represents about two-thirds of the mine run. In other words, one-third of the coal will go through the round holes. By the time you get it on to the dock, and reclaim it, and again screen it in one and a half inch screen, you again lose one-third.

Q. You mean after the handling, when you have re-screened it on the dock, you lose one-third?—A. Yes; not in weight, but in size.

By Mr. Armstrong:

Q. That is American bituminous coal?—A. Yes, hard splint coal.

By Mr. Bury:

Q. Is this bituminous coal—what you have lost through your screening is, of course, not lost—how much has it depreciated in value?—A. Considerably.

Q. What do you mean by "Considerably"?—A. The differences between the price of dock run and slack would be, roughly, seventy-five cents a ton.

Q. Do you mean to tell me that it would depreciate seventy-five cents a ton?—A. That which goes through the screens can be sold—

Q. At seventy-five cents less?—A. That is it.

Mr. BURY: You may be dealing with a coal plant which is a little bit more severe on the coal; he is dealing with a coal plant which takes a whole gondola car, and dumps it out.

By Mr. Garland:

Q. Is this bituminous coal of which you speak hard coal?—A. Yes; I would say it is harder coal than the Sydney coal.

Q. Would it be harder than our Alberta coal?—A. I am not familiar with the Alberta coal.

By Mr. Bury:

Q. Are you familiar with any other unloading plant, or loading plant, that is not so severe on the coal as that?—A. In order to get speed, the railroads adopt one of two policies; either a trestle, where drop bottom cars are used, and the coal is dumped into chutes, or the turnover arrangement. I don't think there are any other systems of dumping coal from cars into vessels, in use.

Q. All right. Now what about the relative severity on the coal?—A. I think that the car dump, the turnover proposition, is the least severe.

By Mr. Armstrong:

Q. They have improved machinery within the last few years, have they not, in the way of dumping those cars such as you have just said, so that there is not so much degradation in the coal as formerly?—A. Well, there may be some improvement, but if so, it is rather slight.

Q. Have you not changed any of your devices—

Mr. GARLAND: Just a moment, please. The witness did not say he did not know much about it; he said if there was any improvement it was very slight.

By Mr. Armstrong:

Q. Well, have you not seen new devices whereby the coal is carried into the vessel holds under improved conditions within the last few years?—A. Well, it is possible to use extreme care in the running of coal from the chute into the hold of the vessel, but you slow up time, and when you slow up time, you increase rates. The vessel owners exact from you a certain rate, and you in turn assure him that you will load that vessel within a certain number of hours, or at the rate of so much per hour, and if you want to take double the time in loading it, the rate goes up. The same thing applies at the unloading berths.

Q. You do not think that the degradation in the coal would be much greater by dumping it quickly from the cars into the vessels than it would be by handling it more slowly?—A. It does not seem so to me.

Q. It might be all the better.—A. I believe there is less degradation, as I mentioned, with a car dump. For instance, we take in Montreal, coal via Hampton Roads, into the Gulf of St. Lawrence, which is dumped from the bottom of the car into chutes, and then into the vessels. We also take coal from the same source of supply to Lake Erie, and bring it down the St. Lawrence, and we find there is less degradation of the coal that comes from the lakes than from tidewater. In the one case, at tidewater, it is dumped through chutes; in the other case, the car is turned over. That is what makes me think that the car dump has the least breakage.

Mr. BURY: The trouble was in the movements from the west that they have been using box cars and not the open cars, and it puts out of the question the dumping of a car.

By Mr. Gershaw:

Q. We have in mind the large quantity of coal coming by rail from Alberta to the head of the lakes, and there being unloaded and taken on by water to Toronto. You say there is an unloading bridge at Port Arthur?—A. Yes, but that is for unloading coal from vessels, not from cars.

[Mr. F. M. Wattles.]

Q. What would it cost to install an up-to-date unloading apparatus there to unload from the cars into the boats?—A. I would suggest that you take that up with the manufacturers of that class of machinery.

Q. Well, just roughly, you have an idea.—A. I would say, offhand, one million dollars.

Q. And that would be a capital charge? Then supposing a machine like that was installed, what would be the cost per ton, roughly, of unloading coal by that machinery?—A. As I mentioned a little while ago, the railroads charge eight cents a ton for dumping, and claim that merely covers the expenses—what expenses, I don't know.

Q. You could put in the coal for eight cents, and your figure would be from forty to fifty cents to get it out of that boat and deliver it, say, around Toronto; at least, into storage or into cars, or something like that?—A. I wonder if I follow you. Let us take a trainload of coal to Fort William. The vessel is there to meet it. As it arrives, it is dumped into the vessel. There would be the mine price, plus the railroad freight rate to the lake front, plus the dumping charge, plus the vessel rate to the port of destination, for instance, Toronto.

By Mr. Bury:

Q. As you go along, leave out the cost of coal at the pit mouth, leave out the railway freight, and give us your estimate of the cost from the moment the train of coal comes to the machine for dumping it into the vessel.—A. The dumping cost, according to common practice, would be eight cents per ton.

By Mr. Gershaw:

Q. That is, providing the machinery is installed?—A. Yes, of course.

Q. And there is a depreciation there of about one-third of, you say, seventy-five cents per ton?

Mr. ARMSTRONG: May I break in there—

The WITNESS: I will cover that—

Mr. ARMSTRONG: You could have all these statements placed before you by the men who furnish the dumping machinery.

Mr. GARLAND: We are getting it now; go ahead.

The CHAIRMAN: Go ahead.

Mr. GARLAND: Eight cents, plus the seventy-five cents.

Mr. GERSHAW: You say seventy-five cents, but it is only one-third of that; it would be only twenty-five cents.

The WITNESS: I don't understand what you mean by the seventy-five cents; where does that apply?

Mr. BURY: He meant the loss in the value of the degraded coal.

The WITNESS: That follows later. In following that along, you pay eight cents dumping charge, and the lowest rate obtainable for water transportation.

By Mr. Flemming:

Q. That is by water?—A. No. For instance, the rate on the coal would be one dollar—that is just a guess: now, that boat is tied up alongside of a dock which is equipped with machinery for unloading, which would involve an investment of probably a half a million dollars, an unloading bridge at the waterfront at Toronto. That machine would have a capacity for unloading that boat at the rate of possibly 500 tons per hour. If you had orders for that coal as it arrived,—in other words, when the clamp picks up that five tons of coal, if it could be put into a car, that is one thing, but probably you would have to carry that coal back on your coal dock, and put it in storage.

[Mr. F. M. Wattles.]

By Mr. Bury:

Q. Give us the alternatives? Just give us first the one that goes into the car?—A. If it went into the car, the actual labour cost of operating that machinery would probably not exceed ten cents.

Q. That puts it into the car for shipment straight away to the consignee? Now, take the alternative one?—A. In the other case, you would put that coal on the dock, and it would be dropped and some breakage would occur there. Later on, you would get orders for screened coal. Then you have to pick it up again and run it over the screen, and that is where you get your degradation. About two-thirds of that coal, depending on the hardness of it, would pass over that screen. The other one-third would pass through. That which would pass through would have to be sold at a lower price than that which passes over.

Q. That is the point. One-third of the coal would drop seventy-five cents a ton?—A. Yes, sir.

Q. And that would be seventy-five cents a ton over the whole one-third tonnage?—A. Yes.

Q. A degradation of twenty-five cents a ton over the whole tonnage?—A. Yes.

By Mr. Armstrong:

Q. But the coal you receive now undergoes that same treatment, and you have the same loss?—A. We have the same loss.

Mr. BURY: Your point is that you could not make any difference in the comparison.

The CHAIRMAN: Will that be all, gentlemen? It is half past five. We have Mr. Draper here, and I think we can go on with him to-morrow afternoon, if that is agreeable to you, while the House is sitting. We have that privilege now. To-morrow morning this room will be in use, and our secretary will be engaged with another committee, but we can meet here to-morrow afternoon at three o'clock.

The Committee adjourned until Thursday, June 10th, 1926, at 3 o'clock p.m.

COMMITTEE ROOM 425,
HOUSE OF COMMONS,
THURSDAY, June 10, 1926.

The Special Committee appointed to investigate our present sources of supply of anthracite and bituminous coal, the dependability of such sources and other matters in relation thereto, met at 3.00 p.m., the Chairman, Mr. Lapierre, presiding.

The clerk reported upon the communications he had received, and gave a brief outline of their contents.

Mr. ARMSTRONG: I think that those letters received by the Secretary should be incorporated in the record.

Mr. BURY: Are all those letters along the same line?

The CHAIRMAN: Very much.

Mr. BURY: I think they all ought to be incorporated in the record; they come before the Committee.

Motion carried.

OWEN SOUND, ONT.,

JUNE 5, 1926.

Re: *Committee investigating Coal Resources of Canada.*

Mr. V. CLOUTIER,
Room 426, House of Commons,
Ottawa, Canada.

DEAR SIR,—In answer to your letter of May 31 regarding the coal situation in this district. Our anthracite coal all comes from the United States, and we have used no British anthracite here, but have used a considerable amount of Alberta coal in this district, which has satisfactorily taken the place of American anthracite coal, so far as the limited quantities could be obtained.

We feel that the time has arrived, when the Dominion Government, and the Governments of Ontario and Alberta, together with the railways, should find ways and means to bring Alberta coal to the markets of Ontario at a rate not to exceed \$7 per ton.

It is our opinion that the way this can successfully be accomplished, is by rail, lake, and rail, using up-to-date equipment from mines to head of lakes, and from head of lakes to Georgian bay, by up-to-date steamers, equipped for that purpose.

If commodity rates were granted equalized with the grain rates from the same district in Alberta, it would give us a rate to the head of the lakes, of \$3 per ton, from the head of lakes to Georgian Bay 75 cents per ton, and from there to Toronto, a rate of \$1.20 per ton, or an average rate throughout Ontario, not to exceed \$1.50 per ton. The above rates can positively be obtained, with the exception of the rate from mines to head of the lakes, which we have been unable to obtain.

With proper restrictions to the retailer, and a ten-year contract with the mines in Alberta, it would place Canada independent, of all the troubles, and high prices for domestic fuel, over which we now have no control, and keep approximately \$20,000,000 a year, in our country, that is now going to the United States, for our miners, our steamships, our railroads, and our own people.

Yours respectfully,

(Signed) A. J. CREIGHTON.

HAMILTON, Canada,

JUNE 9th, 1926.

To the Committee
Investigating Coal Resources of Canada.

DEAR SIR,—Yours dated June 7th *re* the investigation of coal resources of Canada.

I will have no business in Ottawa on the 15th inst. unless it would be by order of your Committee to appear before them. Our arrangement was perfected to be in the Exchequer Court on the 15th but that arrangement has been cancelled and put over until after the vacation season. Hence I would have no business that I know of at this writing that would take me to Ottawa.

I am not at all clear that I could be of very much assistance to your Committee even though I did appear before them. However if the Committee deem it necessary and issue an order asking me to come I will try and arrange matters here so that I can get away.

Our situation here is that we are at one of the most critical points in our building operation which takes up my time completely and that will continue during this month, as undoubtedly your Chairman, Mr. Lapierre, is aware that we are building another battery of coke ovens and we will just about be starting the oven brickwork at the date mentioned, and it is quite necessary that I be here when the start is made and for the first few days after they get started.

I wish you would kindly convey to the Chairman the contents of this letter and also say to him that I appreciate the honor of being called to give information. But there are so many others that I think can give more information possibly than I can, and there will be no dearth at least of statements from interested sources.

With kind personal regards I am,

HAMILTON BY-PRODUCT COKE OVENS, Limited,

Per P. V. BYRNES,

President.

BELLEVILLE, ONTARIO, 4th June, 1926.

Clerk of the Committee,

Investigating Coal Resources of Canada,

Committee Branch, House of Commons,

Ottawa, Ont.

DEAR SIR:—We have your letter of May 31st asking for views on Canada's coal resources, and I would ask how long this Committee will be in session. The subject is intensely interesting and is undoubtedly one of Canada's outstanding problems.

I notice that Mr. R. C. Vaughan, vice-president of the Canadian National Railways has stated before your Committee that this company would use Nova Scotia coal extensively this year. Nova Scotia coal for the Canadian National lines could be brought by water to Kingston, Brockville and Belleville. I believe, for the use of the C.N.R. as they have terminals at Belleville and Brockville. It might be a good idea to call Sir Henry Thornton's attention to this matter.

Two or three years ago I had an interview with an official of the Nova Scotia Coal Company who was looking over the situation here with a view of getting Nova Scotia coal into this part of Ontario for industrial purposes and also for coking purposes. Coke is no longer a substitute for hard coal. It has established itself, and is a high grade domestic fuel, and, in a great many cases, is preferred to American anthracite.

I shall communicate with you further on this subject in a day or two.

Yours very truly,

(Signed) W. E. SCHUSTER,
Pres. and Gen. Manager.

KINGSTON, ONT., June 8th, 1926.

Committee investigating Coal Resources of Canada,

House of Commons,

Ottawa, Ont.

DEAR SIR:—Yours of the 31st of May. Last season we handled about 12,000 tons of American anthracite, 8,000 American soft coal and 500 tons Welsh coal. All the anthracite was used for domestic use, about 800 tons of soft coal for domestic use and 1,200 tons for steam purposes.

All our American coal is purchased during the season of navigation and brought forward to Oswego, N.Y., or Sodus Point, N.Y., loaded on

steamer, brought to Kingston and stored for winter use. We find that we cannot compete for any business by quoting on Nova Scotia coal for the reason that it would have to be reloaded on boat or cars at Montreal for delivery here and the freight rate would be so high that the dealer purchasing American coal would have all the business.

We have no quotation for Nova Scotia coal before us, but no doubt you have and can make comparison:

American soft $\frac{3}{4}$ lump at mines.. . . .	\$2 00
American R.R. freight to Sodus Pt.. . . .	2 23
Boat freight Sodus to Kingston.. . . .	90
Duty.. . . .	50
<hr/>	
Price afloat at dock.. . . .	\$5 63
Nova Scotia coal at mines.. . . .	
Freight rate to Montreal.. . . .	
Discharge & re-loading Montreal.. . . .	
Boat or R.R. freight Montreal to Kingston.. . . .	

You might say that vessels could load at Nova Scotia ports and come direct to Kingston. Very good, but when she would arrive here she would have 2,200 to 2,500 aboard and there is no unloading facilities that will discharge such a boat under six or seven days and that means demurrage at the rate of \$100 per day after two days' detention. On the other hand we go to Sodus Point, N.Y. and load a small steamer and in six hours the boat is here in Kingston. If the Steamer is about 300 tons capacity it is discharged in about eight hours. If 900 tons in two days at the longest. The same applies to American anthracite from Oswego, N.Y.

At the present time stove coal is quoted at \$9.60 per gross ton \$8.57 net freight rate mines to Oswego \$3.15 gross-\$2.81 net, freight rate Oswego to Kingston 90 cents net say \$12 afloat in Kingston. We figure a loss of 8 per cent in handling, I.E. After every season's business for every 100 tons of anthracite coal handled you have about eight tons Screenings for which we get about \$1.50 per ton.

Alberta coal at mines.. . . .	
Alberta coal R.R. freight.. . . .	
Total cost at Kingston.. . . .	

This coal being of a softer nature should carry a greater percentage of screenings. Add to the above unloading charges, advertising, office help, rent, etc., which would be the same in both cases.

Welsh coal is fine coal. The 500 tons we handled last season gave good satisfaction but the price is too high in comparison to American anthracite. Welsh coal cannot be sold here at less than \$17.50 to \$18 and with anthracite \$15.50 to \$16 the anthracite is the cheapest. Welsh coal could be loaded at a British port and delivered at say, a port like Toronto at a small cost over Montreal, because Toronto is equipped with docks and unloading plants to take care of such vessels, and could be sold in competition with anthracite.

We trust we have made it plain to you how we are situated in Kingston and when you fill in the prices of Nova Scotia and Alberta coal and compare with the figures above, you will understand why American coal is sold in Kingston.

Yours truly,

JAMES SOWARDS COAL COMPANY,
per JOHN F. SOWARDS.

The CHAIRMAN: I suppose we can proceed?

THOMAS DRAPER called and sworn.

By the Chairman:

Q. Mr. Draper, what is your present occupation?—A. I am a manufacturer.

Q. In what line of manufacture are you engaged?—A. Iron and steel foundry; different lines of iron manufacturing.

Q. You have a general knowledge of machinery used for loading and unloading coal?—A. Yes.

By Mr. Armstrong:

Q. How long have you been a manufacturer, Mr. Draper?—A. Thirty-six years.

Q. You are president and general manager of the Alberta Waterways, is it?—A. The McMurray Asphaltum & Oils, Limited, Edmonton.

Q. And you are also general manager of the Border Manufacturing Company, of Port Huron?—A. Yes.

Q. But you are not connected with any firm which is manufacturing loading and unloading machinery for the handling of coal, in any way, shape or form?—A. No.

Q. And not employed by them, in any way, shape or form?—A. No.

Q. Where have you been travelling so that you have come in contact with enterprises using loading and unloading machinery on the inland lakes, and in connection with what companies?—A. We manufacture some lines of railroad machinery, and that brings me in contact with all of the railroads of the country, and particularly at terminal points, in terminal machinery.

Q. And in that way you have been able to obtain the information which you are placing before the Committee?—A. Yes, I see these classes of machinery almost daily.

Q. Would you give the Committee a general idea of loading and unloading machinery, for the handling of coal?—A. That is from the railway terminals to the boat.

Q. Yes; and from the boats to the pier?—A. There are several plans. The most up to date is the car dumper, which takes the entire car, lifts it, turns it completely over, and dumps the coal into a large pan, in which the coal slides gradually, without much breaking, into the hold of the vessel. The pan is connected with a collapsible spout which is set out and sloped so that the coal slides and they load from the bottom of the boat up; and then the spout collapses as they fill the boat, so that there is very little breakage. That is the latest type of machine, and those unloaders are used at most of the large terminal points of the coal-carrying railways in the United States.

By Mr. Bury:

Q. Is the pan that you speak of a chute?—A. It is a type of chute. It is longer than the length of the car, and the car is gradually hoisted and then turned upside down. I have cuts and photographs here which the manufacturers have supplied to me, and which I will leave with the Committee.

Q. The pan is a chute that runs lengthwise with the car, and the coal car is tipped over so that that coal is turned out into the chute?—A. Yes.

By Mr. Armstrong:

Q. You will place in the hands of the Committee the photographs that you have obtained?—A. Yes. I have those supplied by two of the large manufacturing firms whom I interviewed last winter. I told them what I wanted them for. I will explain them if you wish.

Q. Tell us first, something more about the unloading machinery that you have investigated? How many cars per hour have you seen them unload

[Mr. Thomas Draper.]

into boats?—A. About forty cars per hour is an average. The time of lifting the car, dumping it, and back, is about three quarters of a minute. But in watching them, and checking up, it took about a minute and a half. Checking it up by the hour, they run about forty to the hour.

Q. Were you there and saw and checked this operation?—A. Yes, many times I have checked it up.

By Mr. MacDonald (Cape Breton South):

Q. Do they require a special car for that operation?—A. No, any of the open top cars can be used.

Q. Do they lift it off the track?—A. No, the track and all is raised. There is a set of folding arms that come down and clamp the car to the track and then raise it up straight and high enough to turn it over. I have a picture of those here. The train loads come in, generally a hundred cars to the train. First they uncouple the locomotive. The track is a little inclined and they release one car at a time, as shown on the first picture. This car is released, and runs down the incline and strikes against a switch-back and comes back on the track that leads to the tippie. There is a little electric mule that raises up from down between the tracks and draws that up on the platform of the dumper. The second picture shows the clamps that come down and lock that car to the track. The third picture shows the car rising and dumping. This picture shows the car upside down. Then this car is turned directly upside down and I have seen it in freezing weather, when there is a little frost in the coal. Then they will give the car a quick snap back, breaking the frost, and turn it over again. At no time have I seen a car take more than a minute to dump, unless it was frozen so badly that they had to pick it out. Then they let that car down and run it back. They do not tie up the dumpers while that work is done. That only occurs late in the fall of the year. I have seen two trains come in of 100 cars each, and dump in four hours and a half. In other words, I have seen upwards of 10,000 tons dumped into one of the large lake vessels in about four and a half hours.

Now the coal roads are equipping themselves with very large cars. It takes no longer to dump a 100-ton car, than it takes to dump the 50-ton car, so that the larger the car, the cheaper it is dumped.

The prices I can quote you were given to me by the different railways showing the cost of dumping. The cost of dumping was generally admitted to be about five cents, last year. But I was told the other day that the railroads unloading these are now asking seven cents for this season, for unloading at Lake Erie ports, with these machines. There are other types of unloading machines.

Q. What is the cost of the machinery you have referred to?—A. The one shown in this set of photographs that I have produced here is supplied by the Brown Hoisting Machinery Company of Cleveland, Ohio. Mr. Brown, the president of that company, gave me the information that that machinery at the price last winter would be \$150,000 f.o.b. their works Cleveland. That would not include the power plant, which would be necessary to operate it. And it would not include the installation. It is f.o.b. plant Cleveland. He could not give me information on the cost of the erection without knowing the cost of the foundations, because at some places, it might mean piling entirely, or excavating deeply. So that the cost of installation can only be given after a close inspection of the site, where it is to be installed. I questioned closely as to the cost of trackage and so on. That would depend greatly on the terminal facilities, whether there were plenty of tracks leading to the site, whether it was a railway yard, or whether it would be necessary to buy property, and create a new terminal. He said, however, that there are very few cases where he thought it would exceed \$400,000 to establish a complete tippie with all the facilities that are necessary.

By Mr. Bury:

Q. That is, including trackage and everything?—A. Trackage and all.

Q. And including the cost of the machine?—A. Including the cost of the machine and the installation. He said between \$400,000 and \$500,000, for the reason that it might cost as much to get a foundation in some places as it would for the whole cost of the machinery, so that he left himself plenty of leeway in allowing for the foundation.

By Mr. Armstrong:

Q. However, this company, and the other companies which you are speaking of, are all prepared to send their representatives here, without cost to the Government, to place before this Committee any information which they have bearing on these machines.—A. Yes, I have a letter from Mr. Case, who was present during this interview, and Mr. Brown asked him to write me. I have received a letter from him which is as follows: Shall I read it? This letter may be left with your Committee if you wish.

The CHAIRMAN: Yes, read it.

WITNESS: (Reads):

THE BROWN HOISTING MACHINERY Co.,
CLEVELAND, OHIO, U.S.A.,
DECEMBER 26, 1925.

Mr. THOS. DRAPER, President,
Draper Mfg. Co.,
Port Huron, Mich.

DEAR SIR,—We beg to acknowledge your favour of December 22nd with the attached clipping in regard to the possibility of the car dumpers for unloading coal at the head of the lakes, and thank you for same.

We shall be very glad to be of any further service that we can to you or the Committee that you mention in regard to this subject, and if this Committee should desire to confer with one of our representatives, we would be glad to arrange a meeting with the Committee at any time that would be convenient, for us to have our engineer there.

Yours very truly,

THE BROWN HOISTING MACHINERY Co.,
By J. P. CASE,
Sales Manager.

WITNESS: This was written with the authority of Mr. Brown.

By Mr. Bury:

Q. Before you leave that type of dumping machinery, did you see it operating on coal?—A. Yes.

Q. What kind of coal?—A. On the Hocking Valley coal.

Q. Is that anthracite or American bituminous?—A. That is American bituminous.

Q. Is there a big fall of the coal when it is leaving the dumper to the spout?—A. No, that is done with a sliding motion rather than a fall. That is the object in unloading soft coal, to devise something that will save breakage as much as possible.

Q. Is there any fall after it goes into the spout until it is actually settled into the ship itself?—A. To a great extent that is effected by the action of the

[Mr. Thomas Draper.]

operator. If he turns his spout directly down and lets the coal fall directly to the bottom of an iron ship, it would get a fall, but the usual plan is to turn it on a slope to the side of the vessel so that it slides down and then collapses as the pile of coal rises.

Q. You talk about a collapsible spout?—A. Yes.

Q. How far from the bottom of the vessel would the spout collapse?—A. It can go right to the bottom.

Q. So that you can reduce the fall of the coal in loading the ship?—A. That is the idea of the collapsible spout.

Q. There is a chute and a collapsible spout to the chute?—A. Practically so.

Q. Did you notice whether there was much breakage in the coal?—A. Very little in that coal, I was surprised at the small amount of dust that was coming from it.

Q. Have you ever seen that same coal unloaded by those same dumpers at the point of delivery?—A. Oh yes, many times.

Q. How did it appear when it came from the unloaded vessel, much broken or not?—A. Oh no, it appears very similar to what it does after delivery at the head of the mine, mine-run coal.

Q. Would that be mine-run?—A. It is mostly mine-run coal that comes in in that way; that is handling very large quantities.

Q. And there did not appear to be much degradation in the process of handling at the loading point or in the process of handling at the unloading point by this machinery?—A. No. But there are some points where large manufacturers prefer to have the coal broken as much as possible.

Q. We are not talking about that. They can get all the breakage they want. There is no trouble about getting breakage?—A. No.

By Mr. Armstrong:

Q. Is there any reason that you can think of that would lead you to believe that the coal mined in Alberta would not carry or load and unload just as well as the coal that is mined in the United States?—A. Some of the coal that is mined in Alberta is softer than any I have seen in the United States.

By the Chairman:

Q. You are familiar with most of the coals produced in Alberta?—A. I have not been in all of the mines, but I have seen a fair average.

Q. Have you handled Alberta coal?—A. To some extent, yes. Some of the coal in Alberta, particularly to the West, that I have seen, would stand that handling very well. I think the percentage of breakage would be as small as it would be of the American coal. There is some of the coal in Alberta that I have seen that breaks very easily, under any conditions, but I think, if I may give my own opinion, that the handling of the coal through these large tipples is as carefully done and with as little breakage as there would be in handling by hand, with a shovel.

Q. In the event of this coal being shipped in covered cars, the plant you have in view could not be utilized.—A. A box car would not be suitable for that at all.

By Mr. Gershaw:

Q. It could not be used?—A. Not just in that kind of tipple. It would need to be something like the grain tipple for shaking it out.

By Mr. Armstrong:

Q. Is there any question in your mind that the Alberta coal can be delivered at the head of the Lakes in a satisfactory condition without much degradation?—A. It would only have a few days in delivery from the mine to the head of the Lakes, and I think the depreciation or slacking of the coal would be very little, in an open car.

[Mr. Thomas Draper.]

By Mr. Bury:

Q. That is to say, that while it might be true, that on the long run, from the Alberta mines to Toronto a box car may be essential, an open car might be quite feasible on the shorter runs to the head of the Lakes.—A. More so, because I think from what I know of railway operation, it would be difficult to get more than twelve trips a year per car, bringing coal from Alberta into Ontario, using those coal cars for distribution and getting them back; but, to the head of the Lakes, I think it would be possible to make a return trip once a week, or once in eight days.

Q. I was not thinking of that so much as of the point that we were told that box cars were essential in the all-rail movement, for the reason that the Alberta coal exposed in open cars for the length of time required in a train movement to Toronto, or other points in Ontario, degraded by the weather effect, and that therefore box cars were used. My point was—which I thought you confirmed—that in the short train haul to the head of the Lakes the objection to the open car might not obtain?—A. To a great extent it would be eliminated. But I think that the average time that the coal would be standing in the yards, even in Alberta, would be as long an exposure almost as if through trains were being made up and run with despatch to the head of the Lakes. There would probably be only half of the time of exposure to the hot sun. It should be not over four days.

By Mr. Howden:

Q. It is 800 miles to Winnipeg, and 400 to Fort William?—A. Practically 1,200 miles. Four days on a through train should be sufficient. I think the trains could be run on a twelve and eight-day schedule and return.

MR. HOWDEN: It is only about another six hundred miles to Toronto.

By Mr. Gershaw:

Q. We understood that to deliver domestic coal for consumption in Ontario, it would have to be protected from the weather; it would have to be carried in closed cars. Now, we are hoping of course that it could be delivered in open cars and dumped at the head of the Lakes, but we are a little afraid that there might be serious degradation?—A. I do not think three or four days' exposure to the air would have practically any effect, for I have seen those cars of coal all over Alberta, standing for a week, and the depreciation showed very little.

By Mr. Armstrong:

Q. Have you had Alberta coal stand for a month?—A. I have had Alberta coal under tests for a year, and I find that the lumps, particularly at the bottom of the car were solid, and had deteriorated very little.

Q. Anyway, on a four days' haul such as to Port Arthur and Fort William, you would not expect much deterioration, at least not much more than you would find in American coal?—A. I would think very little.

By Mr. Howden:

Q. Is there any machinery for unloading box cars?—A. I know of nothing other than the tipples for the grain movements, which shake the cars from end to end. That I think would be very severe on Alberta coal.

By Mr. Armstrong:

Q. Coal unloaded into a boat goes under the hatches of the vessel, and remains there until delivered?—A. That is the common practice. They fasten the hatch-ways, and make it practically as tight as if it were in a box car.

[Mr. Thomas Draper.]

By the Chairman:

Q. You say the time required for the train would be four days from the mine to Port Arthur?—A. That would be my judgment.

Q. What would be the length of time, all-rail to Toronto?—A. When you get down to terminals like Toronto, there is always a slowing up of traffic. It is hard for me to say, but I think a railway man would probably say to deliver coal in Ontario, and get the cars back into service would probably take an average of thirty days.

Q. That is why you limit the number of cars going through to eight or ten round trips a year?—A. About twelve trips a year, where the other might make four trips a month.

By Mr. Gershaw:

Q. Are the conditions favourable or unfavourable at Port Arthur, for installing these machines? I believe they had trouble there with the elevators?—A. The railway tracks at Port Arthur and Fort William, as I recall them, would be favourable for such an installation. May I volunteer information?

By Mr. Bury:

Q. Yes, I think you may?—A. My observation is that there is a very small percentage of coal cars on the Canadian roads in comparison with what they have on the American side. Watching the movement in Ontario, the coal seems to be mostly moving in American cars. Therefore there would probably need to be an increase in the number of coal cars from the Canadian railways. I was going to offer this for consideration, that if you brought the coal into Ontario, you would probably have to have four times as much investment in large coal cars as if you brought it to the head of the Lakes, making the quick return trip.

By the Chairman:

Q. We have been told here, Mr. Draper, that at the season when Alberta coal is going to be moved, there is a very large number of empty cars. Some have stated it as high as 30,000 cars lying idle in the West, at the time this coal movement should take place, that could be utilized?—A. It would be a very nice thing if the grain car could be utilized, but it would add cost and if you tried to do it in a large way with a dumper, you would break the coal very materially.

Mr. ARMSTRONG: In fact, one of the railwaymen said that the thirty thousand proposition would be cut to ten.

By Mr. Howden:

Q. Mr. Draper, the railroads, I believe, estimate that there is a forty per cent movement of empty cars going west. These coal cars would necessitate almost a 100 per cent empty car movement?—A. That is true, unfortunately, because of so much movement to the east. But that same objection is true on all coal roads in the United States. The landed traffic is one way, and they return empty. But a peculiar thing in connection with that is that during the railroad administration by the Government in the United States, five roads that met their dividends, and their overhead during the administration, were coal-carrying roads, carrying coal one way.

By Mr. Bury:

Q. While they say what Dr. Howden has said, that forty per cent is empty car movement, they include in that \$9 rate one hundred per cent for returned empties. In other words, they double the cost?—A. They have not the tonnage, Mr. Bury.

[Mr. Thomas Draper.]

Mr. HOWDEN: I believe they do charge one hundred per cent.

Mr. BURY: The estimate shows it. They take the cost one way and multiply it by two.

The CHAIRMAN: They double the cost; that was stated before the Committee.

By Mr. Howden:

Q. May I ask if these special coal cars are very expensive?—A. They are not proportionately higher I think, than the grain car would be.

Mr. ARMSTRONG: We had an estimate given the other day of \$3,500 per car.

The WITNESS: Railway men can answer that better than I can.

By Mr. Armstrong:

Q. Were you going on with some of the other dumpers, or have you anything more to suggest?—A. There are a number of these at different points, that I have seen in operation. This is made by the Brown Hoist & Conveying Co. at Toledo. The Baltimore & Ohio R. R. Co have one manufactured by McMyler, which is the same thing, of similar construction. It is not quite as substantial as the one installed by the Brown Hoist people but it is doing the work very well.

The CHAIRMAN: Will you take my seat for a few moments, Mr. Bury?

By Mr. Armstrong:

Q. We can keep these on file?—A. Yes. Those were given to me for the use of the Committee. I might say, gentlemen, that in each case where I interviewed these manufacturers, I explained fully to them what I wanted these for and they were very willing that these should go before the Committee; in fact they prepared these for the Committee.

By the Vice Chairman:

Q. You were discussing the other dumper?—A. There is another type of dumper known as the rotating dumper, which is simply a big circular dumper.

By Mr. Armstrong:

Q. You are at the whirley dumper?—A. No, I am speaking of a dumper where the car runs in and locks and turns upside down just inside of a large circular construction.

By the Vice Chairman:

Q. Is that this one here?—A. No, that is this one (referring to photograph).

Q. You started on this second one; hadn't you better finish the second one?—A. This is similar to the first one.

Q. What do you call it?—A. McMyler tippie, called Exhibit 2; it is similar to the Brown Hoist & Conveying only built with a little different style of construction.

Q. The Brown Hoist is the first one you mentioned?—A. Brown Hoist was the first.

Q. Before you pass on. There is a considerable fall into the vessel?—A. In this case the spout is shown almost down. This is a very small barge of 300 to 400 tons. (Indicating on photograph.)

By Mr. Armstrong:

Q. What is the cost of this tippie?—A. I have not got that. It is about the same; it is a competitive tippie.

[Mr. Thomas Draper.]

By the Vice Chairman:

Q. Does not this spout give a direct fall?—A. They can set that any way; it is adjustable. This one is very close up to the dock; it is a small barge.

Q. Are all of these the same?—A. No, I think I have some others.

Q. They are all of the same tippie. This is the spout, is it?—A. Yes, there is the spout. That is the same one showing the car upside down.

By Mr. MacDonald (Cape Breton South):

Q. What do you mean by collapsible spout?—A. One that draws up inside the other. As they unload it they can shorten the spout.

Q. A canvas thing?—A. Oh no, it is collapsible sheet metal.

Q. Something like a concertina?—A. Something like that—it is not just that way; it is a larger one drawing together over the smaller.

Q. Is it completely covered?—A. Yes; it is either circular or square box.

Q. This is the spout? (Indicating on photograph)—A. This is the main spout leading down and then the other is collapsible on the end of that; it goes down into the vessel.

Q. This whole track and everything upsets, is that it?—A. No, the track does not turn.

Q. Do not you fasten the car to the track?—A. To the track. That is on a special platform, just the same as you run on to a pair of scales.

Q. Don't you turn the whole— —A. Track and everything; that is, the platform and all.

By the Vice Chairman:

Q. It is really a platform?—A. Yes.

Q. With rails?—A. Yes. This second is a set of specifications of the McMyler Inter-state Co. of Cleveland. They prepared that, and the photographs show the revolving dumper. This is used to a great extent in industrial plants for tipping over the complete car to a lower track, as described in these different photographs.

Q. This is a rolling car dumper?—A. Yes.

By Mr. Armstrong:

Q. Have you anything more to say to the Committee in regard to these dumpers, Mr. Draper? How would you unload, for instance, from one boat to the other; can you give us any information?—A. Unloading a boat, you mean, that has been loaded?

Q. With self-unloaders located on the boats. Would you tell us something about what kind of machinery it is?—A. There seems to have been great delay in tying up of boats at terminal points by inefficient dock facilities in unloading and it was to get something that would not delay the boat and that the boat could go into any terminal where there was no dock facilities to unload. So the self-unloader is installed on the boat which allows that boat to go into any terminal point and unload with its own machinery.

Q. Tell us how that unloading machinery operates?—A. The boat is constructed with bins and these bins have hopper bottoms. Each hopper can be opened and it allows the coal to just gradually slide down on to a belt which runs over idlers, in a semi-circular form, and that just conveys it out as fast as it falls; up to anywhere; that conveys it on shore to whatever distance they may wish, it having a radius of up to 70 feet. They can either put it in piles or unload on to cars or they can unload on to scows or other boats.

Q. How fast could they unload with those unloading machines?—A. 6,000 tons can be unloaded in about four to five hours.

[Mr. Thomas Draper.]

Q. Is there much deterioration or breakage of the coal in handling it that way?—A. Very little. It is a very gentle movement and just handles it gradually, and once it is conveyed on the belt there is no breakage.

The VICE CHAIRMAN: We saw the belt in the grain elevator; I take it it is the same idea?

Mr. HOWDEN: The same idea.

By the Vice Chairman:

Q. The belt is run by idlers at the side?—A. Yes.

By Mr. Howden:

Q. I was just going to ask you how the coal was raised from the hold of the boat in the beginning?—A. These bunkers or bins are built up some distance from the bottom and the belt runs directly under the centre of the hopper.

By the Vice Chairman:

Q. And they open like that (indicating) and let it down on the belt and the belt keeps running along carrying the coal to its destination.

The WITNESS: There is a point I might make there, that probably the Committee will not think of. That is, if Alberta wishes to send down a number of different grades of coal it could be so arranged in these boats that bins could be apportioned up so that they could put different qualities on and then unload each grade by itself.

By Mr. Howden:

Q. For a test?—A. Well, for a test, or if there was a number of different mines; it might be difficult to get 100 cars from one mine.

The VICE CHAIRMAN: One man might want coal from the Drumheller mine, and another man from another mine, and with the system of bins they can keep the different coals separate altogether, which would not be true with the ordinary dumping into a bottom where you would have all your coal mixed.

By Mr. Armstrong:

Q. What capacity are these boats?—A. The largest I know of for carrying coal is five to six thousand tons.

By Mr. Howden:

Q. Mr. Draper, I am not very clear yet. I understand all right about the bins opening up and the belt running underneath them, but that is pretty well down in the hold of the ship?—A. This is built up just far enough from the bottom that the conveyor can be built underneath it with the belt.

Q. Then it has to be raised over the gunwale of the ship, how do you get it up?—A. This belt takes an incline, do you see, and comes up. Some of them are built that they have two belts working towards the centre and then they send this incline in. Those are on idlers.

By Mr. Armstrong:

Q. The Pringle Barge Line Co., of Cleveland, have such boats?—A. Yes.

Q. Tell us something about how they operate?—A. The Pringle Barge line of Cleveland are carrying a great deal of coal to River St. Clair points. They are delivering this year to the Morton Salt Co., of Port Huron, about 125,000 tons; 240,000 tons to the Edison Company, and 100,000 to the Diamond Crystal Co., of St. Clair. They have just equipped a new barge, "Constitution" with one of those self-unloaders. I saw that working for a few minutes on Tuesday afternoon.

[Mr. Thomas Draper.]

Q. You saw that working this week?—A. This week. Although the machinery is a little stiff and needed some adjusting it seemed to be an ideal condition. In talking with Mr. Pringle I told him I was coming down to this Committee and asked if I might say to the Committee, or at least if I might have his permission to invite the Committee, or anyone they cared to send to see this. He said that he would be very pleased, not only to have them come and see this but that he would be glad to have them come to Cleveland, if they wished, and see the unloading and the return of the boat, and see the entire operation, and he seemed rather anxious that that invitation be given to the Committee.

Q. What was the cost of installing that?—A. I am safe in saying it was upwards of half a million dollars.

Q. And that is the last word, practically, in unloading a boat?—A. Boat unloaders.

Q. Unloading machinery for handling coal for boats?—A. The same kind of boat has been used for a number of years, a great number of them, on the lakes for handling stone for the big Detroit works, Solway Process and Michigan Alkali, and the cement plants. Adjoining our works in Port Huron is the Egyptian Portland Cement Company; they have these self-unloading boats. Unloading stone is practically the same thing. On Tuesday afternoon I called at their works and got some information from them of the time it took to unload 10,000 tons, and they said from five to six hours. They figured the labour cost of unloading—I made a note of it—the cost of unloading lime stone at the Egyptian Portland Cement Co., Port Huron, 6/10ths of a cent per ton. That is labour and power.

Q. And coal could be unloaded as easily and as cheaply?—A. No, I would think stone would have the preference.

Q. How much of a preference?—A. That would be hard to determine. I would think coal would cost twice as much, at least, to unload, and take a little longer. But they unload 10,000 tons, and have been doing that for the past two years, on an average of from five to six hours. They load these same boats of 10,000 tons in an hour and a half to two hours.

Q. Where?—A. Alpena.

Q. That is in Michigan?—A. Michigan.

By Mr. Bury:

Q. That would stand a good deal rougher handling?—A. Oh yes.

Q. And therefore could be loaded and unloaded quicker, is that right?—

A. There just seemed to be a torrent of stone coming out from there.

By Mr. Howden:

Q. These self-unloaders would unload either on the dock or into another boat?—A. Oh yes, it would make no difference.

Q. Is there a drop to that, or a chute at the end?—A. That is adjustable; they can raise or lower that any way they wish.

Q. Just raise it as the pile goes up?—A. Yes.

By Mr. Armstrong:

Q. There is one thing I am afraid of the Committee forgetting, Mr. Draper, and that is the fact that although you have lived, how many years in Port Huron in the United States?—A. Since 1900.

Q. That you have not taken out your naturalization papers and that you are still an enthusiastic Canadian?—A. That is true.

Q. Is that not true?—A. Yes.

Mr. GARLAND: That would not make any difference to this Committee. I would be willing to accept expert evidence from anybody.

[Mr. Thomas Draper.]

Mr. ARMSTRONG: That is all right, but I merely place that statement on the record in order that there should be no doubt about it. He is deserving of a lot of credit for gathering the information he has and giving it to the public of Canada.

By Mr. Howden:

Q. There is no question but that the self-unloading boat is an economical apparatus from the standpoint of expense?—A. Not only economical in the unloading of the coal but it has very judicious despatch for the boat. That is the main object of the Pringle Barge Co., in installing that. There was so much time lost from defects and slow unloading apparatus that they have installed those.

By the Chairman:

Q. From your general knowledge of the situation in Alberta, you are still convinced that Alberta coal of good quality can be shipped in open cars to Fort William, trans-shipped into ships or on to vessels on the lakes, transported to Georgian Bay points or Lake Erie or Lake Ontario ports without very much degradation?—A. Less than any other way I think.

By Mr. Bury:

Q. Taking a boat of, say, 10,000 tons, what tonnage of coal would that carry?—A. An approximate estimate would be not to exceed six or seven thousand tons.

Q. Would that mean filling right up to the gunwale?—A. It would depend on the construction of the boat to a certain extent. Some of the cubic space is taken up in the tunnel that is left underneath.

Q. That is what I am talking about. You said that these boats had bins. Do you know if the bins were filled?—A. Yes.

Q. What tonnage would a boat like that carry?—A. Depends to a large extent on the construction. There is no reason why those bins could not come up above the deck space and specially constructed hatchways over the top of them.

Q. Yes, but without special construction and brought above the gunwale?—A. You take up some cargo space.

Q. I know you would. I am just trying to find out what would be the tonnage of coal held by the full bins of the vessels, as you know them now?—A. Six thousand tons on the Pringle Barge Co's barge, which is the largest that is on the lakes.

By Mr. Armstrong:

Q. What is the lowest price, which you have obtained information of, for loading and unloading coal?—A. I believe last year that some railways were making an estimate as low as five cents for unloading from cars to boat. Mr. Pringle advised me the other day that they were charging seven cents this year.

By the Chairman:

Q. That is in the United States with a very large volume?—A. That is at Toledo, based on eight million tons a year which is what the Hocking Valley unloads.

By Mr. Bury:

Q. And it was with the unloading plant that you describe?—A. Oh, yes, with the tipples.

[Mr. Thomas Draper.]

By the Chairman:

Q. From open cars?—A. From open cars.

Q. You have told us that before?—A. You must also consider the size of the cars being used if it was all 100-ton cars it would be unloaded cheaper than 50-ton cars.

By Mr. Bury:

Q. What cars were they estimating their seven cents on?—A. A mixed lot of cars, none of them less than 50-ton.

Q. None of them less than 50-ton?—A. Yes.

Q. Were there many more than 50-ton?—A. Yes; a mixed train that I saw there were a good many that were very large. Run all the way up to 100-ton.

By the Chairman:

Q. But those cars are used in the coal service exclusively?—A. Yes.

By Mr. Gershaw:

Q. And unloaded from the boat to car, what would that come to?—A. From the boat to the car?

Q. Yes?—A. I have seen a great many—

Q. Supposing it was not being stored; passed direct from the boat to the car?

Mr. BURY: You mean by self-unloading boat?

Mr. GERSHAW: Yes.

The WITNESS: There are different ways of unloading, with a clam or with the whirley.

By Mr. Bury:

Q. We are talking now of self-unloading boat; what would be the cost of unloading that self-unloading boat on to cars?—A. I have only the information that Mr. Pringle gave me on that; ten cents would be a very remunerative price to make.

By Mr. Howden:

Q. From boat to car?—A. From boat to dock or car.

By Mr. Bury:

Q. You mentioned nominal cost where the unloading was done by machinery on the dock itself?—A. Yes. I have a number of letters from men. I might read one from the Morton Salt Company of Port Huron, that Mr. Gates, the General Manager, addressed to myself.

By Mr. Armstrong:

Q. Perhaps if you would just give us the particulars we could put them on the record?—A. He says:

PORT HURON, Mich.,
JANUARY 25, 1926.

Mr. THOMAS DRAPER,
The Draper Mfg. Co.,
Port Huron, Mich.

Dear Mr. DRAPER.—I have your favour of the 21st inst. relative to the cost of loading and unloading coal from cars to boats and from boats to the dock. We do not load any coal from cars to boats; we unload from the boat to the dock, but it is a hard matter to give you costs that will be of any value to you.

[Mr. Thomas Draper.]

The cost of unloading boats depends on the style or shape of the boat—for instance, we use a Mead-Morrison unloading rig with a three-ton clam. We have unloaded some boats for less than 3 cents a ton; others have cost as high as 5 cents or 6 cents, due to the trimming necessary to transfer the coal to where the clam could get at it.

Then, the size and style of the unloading rig have a lot to do with it, and if an automatic trimmer is used, it reduces the cost materially, for the greatest cost is in the trimming.

Yours very truly,

MORTON SALT COMPANY,

(Signed) JOHN P. GATES,

Manager.

Then I wrote Mr. Gates asking if this took care of the overhead, and eventually he replied:

PORT HURON, MICH.,

FEBRUARY 2, 1926.

MR. THOS. DRAPER,
The Draper Mfg. Co.,
Port Huron, Mich.

DEAR MR. DRAPER,—I have your favour of the 1st inst., and note what you say about the information we gave you in our letter of January 25, regarding unloading of coal at our dock.

We did not add anything for depreciation, interest on investment, or wear and tear on machinery, as that cost is calculated by our Chicago office.

Yours very truly,

MORTON SALT COMPANY,

(Sgd.) JOHN P. GATES,

Manager.

Usually that type of unloading runs from 8 to 11 cents, depending on the conveniences. I have a great deal of data covering that, and probably the best information I can give you. I might say, gentlemen, this is not a breach of confidence because I told Mr. Gates what I wanted the information for.

By Mr. Howden:

Q. In unloading with a clam would you be able to put it in cars that way too?—A. Oh yes; the clam may have a very long arm for unloading; I have seen two up to 60 feet.

Q. And would it be able to put it in box cars?—A. Oh yes; they would permit them to load closer because the cars would be moving, than they would to pile. I had an interview with Mr. Doyle of the Pittsburg Coal Company, in Cleveland, probably the largest distributors of coal in the United States, owning their own barges and doing a very large business on the lakes and also down the Ohio and Mississippi Rivers. Mr. Doyle, in going over his books, gave me costs at different points. On the Ohio River it is mostly with barges; they have about 400-ton barges there. The highest cost was as high as 13 cents and it varied from 9 to 13 cents, according to the facilities on the dock. He looked up his books on the larger shipments up the lakes and I made a note at the time. On the Algonquin and Soo docks, with a two and a half ton bucket, their average was about seven cents.

[Mr. Thomas Draper.]

By Mr. Armstrong:

Q. For loading or unloading?—A. Unloading from the barge to the dock.

By Mr. Bury:

Q. Seven cents?—A. About seven cents.

By the Chairman:

Q. That is the Soo on the Canadian side?—A. Well, I would not be quite sure of that. I think there is one dock on one side and the other on the other side. I think that is what he referred to.

By Mr. Garland:

Q. That would be unloading from the boats simply on to the dock in piles?—A. From boat to dock, yes.

Q. You mentioned a moment ago that these clam shell devices could be used for loading box cars?—A. Oh yes, the same thing could be used.

Q. Would not that require extra labour for trimming the car?

Mr. ARMSTRONG: You do not mean box cars with tops on them?

The WITNESS: At the same cost.

Mr. GARLAND: Yes, I want to make that clear.

The WITNESS: I am speaking of their cost into large piles.

By Mr. Garland:

Q. You can unload with a clam shell device into box cars?—A. Yes.

Q. Would that require more labour than loading into open car?—A. There would be a little trimming and a little extra expense in clearing the track of the waste that might fall over; it might be a few cents.

Q. Do you know the type of car Alberta coal is now trans-shipped in?—A. To a great extent in box cars. But I understand one reason of that is they have not very many coal cars in service.

Q. That is one point I want to bring out. To economically and efficiently transport that coal it would require the addition of a large number of open type cars, for example?—A. From what I have seen in making my trips in the West, I do not think that there is a very large number of gondola type cars in service in the western country, so it would probably need the equipment necessary to handle whatever capacity of coal they were shipping out.

Q. A box car would hardly be suitable for this type of unloader?—A. No, I think not. I doubt if there is any large quantity of coal cars owned by the Canadian roads because it has been mostly American cars that have been coming into this country.

Q. They would practically have to fit up their railways with a new line of open gondola coal cars?—A. That would be necessary.

Q. To take advantage of this new type of machinery?—A. Yes.

The CHAIRMAN: And to be hauled as cheaply as it is being done in the United States, and to be handled as cheaply as Mr. Draper says it is being done in the United States, we would want to have large cars, 100-ton cars.

Mr. BURY: 50-ton.

The WITNESS: No, I do not make that statement. The average car in the United States to-day will run from 100,000 to 120,000 (50 to 60 tons); but these coal roads are gradually equipping themselves with a new type of cars, a larger type. That is what I say.

Mr. BURY: But, Mr. Draper does state that the open car was the only car that you could use this dumping machinery with—you were out of the room Mr.

[Mr. Thomas Draper.]

Garland, and I think that is a rather important point. He also suggests that if the movement is to the head of the lakes the time of exposure of the coal, even in the trans-shipment, is cut down accordingly, and that, in his opinion, the time required for shipment to the head of the lakes in the open car would not have much effect on the coal.

MR. GARLAND: I was not bringing that point up. I am rather timid about that, as a matter of fact.

MR. BURY: Yes, I know.

MR. GARLAND: The evidence is not very complete, to be satisfactory, but I do not want to stress it.

THE CHAIRMAN: Mr. Garland, I know just what your hesitation is about this situation up there. But we have been getting information that would make it appear very feasible to handle Alberta coal to the head of the lakes, and from the head of the lakes to points in Georgian Bay, Lake Huron and Lake Erie, at a rate which would bring it into competition with American coal. That is the situation we are trying to clear up.

By Mr. Armstrong:

Q. Mr. Draper, you have figures there in regard to loading and unloading. Will you place them on record, please?—A. Yes. There is another suggestion that I might offer the Committee if they care to have it, and that is that a 10,000-ton boat loaded to capacity is not safe to-day on the Great Lakes. The lowering of the water has been considerable, and I am told by lake captains that 18 feet is about as much as they could load to, so that the very large boats since the diversion of the water by Chicago has lowered the lakes, have incurred a great loss to vessel-men. The larger boats cannot load to capacity.

By the Chairman:

Q. That is owing to the low water in the Sault Ste. Marie river?—A. Yes, and also at the Limestone crossing, Detroit. So that, unless there is a change in the level of the Lakes, or the diversion at Chicago entirely done away with, the loading of boats of the larger type to capacity is a thing of the past.

Q. Then you have further information in regard to rates that you wish to put on record?—A. There is a type of equipment shown here; this paper shows the application of various types of coal-handling equipment. It is a paper read before the Metropolitan Section of the American Society of Mechanical Engineers by Mr. George E. Titcomb, connected with the McMyler-Interstate Company of Bedford, Ohio, U.S.A. Cleveland is their headquarters.

By Mr. Armstrong:

Q. These statements are given to you as authentic?—A. Yes, this was read before an engineering society, and is authentic.

Q. Where was it read?—A. In New York, I think it was. This shows the cost of operation.

THE CHAIRMAN: It is a very long document. You may quote what is more relevant to our situation here.

By Mr. Bury:

Q. Before you do that, will you describe the document from which you are giving the information?—A. It is a printed document with illustrations and at the head of it are the words: "Reprinted from the Dock and Harbour Authority, April, 1925." The paper is read by Mr. George E. Titcomb, and he

[Mr. Thomas Draper.]

describes different plants and gives the cost of them. Here is one at 7.44 cents, with a crawler crane. The cost per ton is 7.44 cents, made up of:—

	Cents
Operating..	5.25
Maintenance..	1.00
Interest and depreciation..	1.19
Total..	7.44

The equipment is illustrated and it is described as "Ten-ton crawler Tread Crane." It is shown unloading.

Then he also quotes the cost of operation at another plant. A description is "Type 'P' Crane, Dayton Light Heat & Power Company, Dayton, Ohio," cost per ton 6.89 cents.

Another type for unloading coke 2.86. That is a car dumper that dumps the entire car.

Another operation at 5.2, unloading.

Then he goes on to give the proportionate cost of each of the operators; the cost for oil, repairs, interest on investment, taxes and insurance, depreciation and obsolescence.

Q. Does that mean the cost for the charge he would make if he was operating the plant?—A. These are in operation at plants. Operating for their own convenience of unloading.

Q. Then, that is only the cost, that does not include interest?—A. Oh, yes. This item is made up of cost of operation; operator, \$8 per day. Two helpers for dumping cars, \$10, current, at one cent per ton, \$7.50. This is for an entire day's operation. Oil, etc., \$2. Repairs and Replacements, \$4. Interest on investment at 6 per cent on \$15,000—\$3. Taxes and Insurance, \$1.50. Depreciation and Obsolescence, \$3, so that he has given the entire amount at \$39.

Q. With interest on the overhead?—A. Yes.

By Mr. Armstrong:

Q. Then have you any other material to place on record?—A. Yes, I have a letter from the McMyler Interstate Company, which will substantiate some of the statements I have made. They give the cost of unloading 2,000,000 tons in eight months at 250,000 tons a month and that totals up to a cost of 7.2 cents per ton. All of the data is given.

Q. Then you told us something about Duluth. I understand that there is a hoisting equipment at Duluth, not at present being used that could be utilized in a test in handling Alberta coal?—A. I am not quite positive of that, Mr. Armstrong. I heard there was an unloading device in Duluth that was not in operation, that had been used formerly for iron ore, but the company had diverted the ore traffic to another terminal. I intended to investigate that, but owing to a late train, I had to make a different connection.

Q. Could you go back that way and investigate it?—A. I had a Canadian National ticket for their special train by way of Duluth and Chicago connecting with the Grand Trunk, and they diverted my ticket, via St. Paul, which was the only way I could reach here on time.

Mr. HOWDEN: Was not that point conceded? The fact that there was such a plant.

Mr. ARMSTRONG: Mr. Cuttle I believe did. And that is not necessary.

By Mr. Howden:

Q. One question with regard to these open cars. Will it be possible to furnish a tarpaulin cover to protect the coal? I have seen material transferred

[Mr. Thomas Draper.]

in open cars covered with a tarpaulin?—A. Yes, that would be very easily done. If it were necessary, but I do not think it is necessary to protect it for that short time.

Q. I do not think it is myself, but in the event of it becoming desirable or necessary, it could be done?—A. Yes.

By Mr. Armstrong:

Q. Would it interfere with the quality of the coal if water were put on it to a certain extent after it left the mine? It might make a little heavier weight on the car, but if it were necessary to cover it, there are jute rugs costing about \$10. However, you substantiate that statement, Mr. Draper?—A. Yes, the tarpaulins can be used, if thought necessary.

Mr. GARLAND: It is suggested that we should make a movement of 500 tons of coal as a sort of experimental movement. At least, Ontario is going to take this up. The witness has stated that to make an economical use of the loading and unloading facilities we would require the gondola type cars. It is said that we would require about 4,500 cars out of a total western equipment of 36,000, running up to 278 train loads. We would not need all those cars because some of them would go back and continue in the movement, but I think it would be as well if the Committee would recall one of the C.N.R. or C.P.R. witnesses, and find out just what facilities they could supply us with for the movement of coal during the season.

The CHAIRMAN: Do you mean during the coming season?

Mr. GARLAND: During any coming season. I think we would have to increase the rolling stock for moving coal.

Mr. ARMSTRONG: I think that would be very satisfactory, Mr. Garland.

Mr. GARLAND (Bow River): I think Mr. Crombie would be all right. If we could get him back, we could get his views on the present equipment. If we are to have a large movement of coal here, we might require additional rolling stock.

Mr. ARMSTRONG: I would like some further inquiry from Mr. Dougall.

Mr. GARLAND: Yes, he would be very good.

The CHAIRMAN: There may be other questions that will arise, and later we may take them.

By Mr. Armstrong:

Q. Have you figures that you are going to give us, Mr. Draper?—A. I have with my notes a few quotations from American mines. We wanted to place a hurry-up order for coal in December, and we wired the Indian-Run Coal Company, of West Virginia, and in reply they said, "Can furnish high-grade mine run coal at \$1.65."

Q. You are dealing now with steam coal altogether?—A. Well, that is a coal that we use very generally for both domestic and steam.

Q. You use that type in your own home, do you?—A. Oh yes, we never make any difference.

Q. Have you any others that you can give the price at the mine?—A. The Burlington Coal Company, on December 20th quote on Big Eagle two and a half screened lump, \$1.90 at the mines.

Here is a circular from the Southern Coal Company, quoting different prices all the way from \$1.25 for slack and nut, up to \$2.85. We have another from the United Coal & Coke Company, Columbus, Ohio, \$1.65 f.o.b. mines. I have taken these from our files.

Q. Have you investigated to any extent the burning of coke and domestic coal together, and if so, with what effect?—A. That has been a hobby with me for a good many years; the burning of mixed fuels. In my own home

[Mr. Thomas Draper.]

during the years of the war, when it was very difficult to get good coal, we had nothing but slack, and I used it in connection with the fine dust or breeze that we take from our foundry coke pile, and I found that by burning that mixed fuel and putting a little of the dry coke over the top of the slack coal, and then opening my dampers and letting it burn from the outside, it would burn the smoke off, and then we could close the dampers, and it would form a big lump of coke. We burned the mixed fuel in that way of slack and dust very successfully in our home all winter.

By Mr. Howden:

Q. You made a little coke there in the fire?—A. Yes, it was using the principle of coking. There is very little hard coal used in the western States, or in the State of Michigan. Two months ago, several companies stated that last winter they did not think ten per cent was used in Michigan of anthracite, or not more than that, and about 90 per cent bituminous coal.

By Mr. Armstrong:

Q. Does not that apply to the whole of the State of Michigan?—A. I think it applies to the whole of the middle and western States.

By the Chairman:

Q. As a matter of fact, there is very little anthracite coal used west of the Atlantic States?—A. Very little.

By Mr. Armstrong:

Q. Have you any other suggestions to make to the Committee, Mr. Draper?—A. I think not, sir.

By Mr. Garland (Bow River):

Q. You know the present rate to Toronto from Alberta, Mr. Draper?—A. I have read frequently that the railroads claim that \$9 is the rate.

Q. They are not quoting even that rate. Do you know the rates to Fort William?—A. No, I cannot say that I do.

MR. ARMSTRONG: Five dollars forty to Fort William is the coal rate. That is in proportion to the \$9 rate, as Mr. Vaughan stated the other day.

MR. GARLAND: But that \$5.40 is not a rate that is quoted yet?

THE CHAIRMAN: No.

MR. GARLAND: There might be difficulty there.

THE CHAIRMAN: The fact is that we have not had any specific statement of what the rate would be on coal from Alberta.

MR. HOWDEN: That rate was given in former inquiries, and it was stated that it had been used in moving coal down.

THE CHAIRMAN: As an experiment.

By Mr. Garland (Bow River):

Q. Can you now give us the cost of transporting coal from Fort William, including the costs of loading and unloading, to points on the lakes?—A. The coal transporting company has said to me that one dollar a ton would be a very attractive rate to any port on Lake Erie, and that ten cents for loading and ten cents for unloading would take care of the charges. That would make \$1.20 for transfer from the cars at the head of the lakes.

[Mr. Thomas Draper.]

Q. And that would include the loading the cars on the dock at destination?—A. Yes. On the cars or on the dock, these would be the charges. I do not think there would be any difference whether it was cars or on the dock.

Q. Then there would be the local rate from these points?—A. Yes. That rate of \$1.20 would be a maximum rate I would think.

Mr. ARMSTRONG: Mr. Cuttle of the Canada Steamships offered us a rate the other day of about half that.

WITNESS: I would expect that that rate would be cut considerably.

By Mr. Armstrong:

Q. Still, there is no reason why that rate could not be put into effect?—A. Well, it is less than the \$7 that they were asking for.

By Mr. Garland (Bow River):

Q. Can you tell us the present cost of the coal itself, that is, can you give us the transportation costs of the coal laid down at Ontario points to-day, I mean American coal?—A. No, I can not without reference to the zoning. They zone their coal along certain lines. Up to a certain point, it is a certain price, and beyond that, another price, so I would have to know the definite points before I could give that.

Q. If we were going to run in competition with American coal at these lake points, we would have to be able to quote a more favourable rate than they are now quoting, than the total of \$6.50 laid down. I was wondering if they were laying down their coal at lake points for less than that. If so, we would be up against that problem?—A. The \$9 rate included the distribution, did it not?

Q. No, the \$9 rate was a rate which the C.N.R. conceded to us as the lowest possible cost rate at which they would move coal to any point in Ontario, but did not include the distribution of the coal, simply to lay it down in a place like Ottawa or Hamilton?—A. I have no comment on that.

Mr. HOWDEN: Mr. Chairman, I would like to express my appreciation of the evidence we have received to-day. I think on behalf of the Committee, I may suggest that we are all very grateful to Mr. Draper.

The CHAIRMAN: Yes, I wish to convey to Mr. Draper our appreciation of the information we have received from him to-day. It is really very interesting and valuable, and will assist materially in bringing the proceedings of our Committee to an earlier close.

Mr. ARMSTRONG: I would like to personally express to Mr. Draper, and place it on the record, that I am very grateful for the information that he has furnished to me from time to time, at my request, and without my request, in connection with this matter.

Mr. DRAPER: Mr. Chairman, and gentlemen, I appreciate very much the honour of being called before you, and I hope we can get Alberta coal down into Ontario so that there shall be no more American coal coming in.

The CHAIRMAN: We will adjourn now until eleven o'clock to-morrow morning.

Witness discharged.

The Committee adjourned until Friday, June 11th, at 11 o'clock, a.m.

COMMITTEE ROOM 425.

HOUSE OF COMMONS.

FRIDAY, June 11, 1926.

The Special Committee appointed to investigate our present sources of supply of anthracite and bituminous coal, the dependability of such sources and other matters in relation thereto, met at 11 a.m., the Chairman, Mr. Lapierre, presiding.

JAMES A. ELLIS, called and sworn.

By the Chairman:

Q. Mr. Ellis, you are the Fuel Controller for Ontario?—A. Yes.

Q. You have handled Alberta coal in the Province of Ontario?—A. Yes.

Q. You are familiar with the situation more or less?—A. Yes.

Q. In the Alberta coal area?—A. Yes.

Q. Will you state to the Committee what your experience has been with Alberta coal under your supervision in the Province of Ontario?—A. Well, dealing first with Alberta coal. I had thought of making a general statement with regard to the quantity of coal consumed in Ontario, and what changes there have been in the different kinds of coal in the last two or three years, because that is of some importance when you are discussing getting something else besides American anthracite. To find what quantity you really need and what changes there have been brought about in different ways, because that gives some indication of what further changes might be made. However, I can give you that after.

I will first take up this question of Alberta coal. Some three years ago, something like five or ten thousand tons of Alberta coal came in, but last winter we brought in 75,000 tons. Now of necessity, in dealing with that, I had to get some little acquaintance with the various mines in Alberta and with the cost of the coal of different qualities. I have a list here of the prices of Alberta coal; this is what it was actually sold at in the Ontario shipments. The prices vary from \$5.50 to \$3.50.

By Mr. Bury:

Q. That is at the pit-mouth?—A. At the pit-mouth, yes. \$5.50 is the only one that is in the Saunder's Creek district. Saunders Ridge, their usual price, I think, is \$5.50 but they shipped at \$5. The Drumheller mines are most of them \$4, some of them a little under \$4; \$3.95, \$3.95 and \$3.75, for single screened; that was the Northwestern Fuel. Edmonton coals were \$3.50; that is Lakeside and Penn. I will leave this list; I need not read it now.

Prices of Alberta coal

Lakeside.. . . .	\$3 50
Penn.. . . .	3 50
N. Western Fuel Supply—	
S.S. Lp.. . . .	3 75
D.S. Lp.. . . .	3 95
Western Commercial.. . . .	3 95
Atlas Coal Co..	4 00
Alberta Central Distributors.. . . .	4 00
Alexo Coal Co..	5 50
Saunders Ridge.. . . .	5 00
Marcus.. . . .	3 00
Midland Lump.. . . .	3 95
Western Gem.. . . .	4 00
Rosedale.. . . .	4 00
Rosedeer (Doyle).. . . .	4 00

Like everything else, when a new thing comes into a new market, naturally the people at first are not very well acquainted with it and do not know exactly, perhaps, what is the best thing to do about it. But with this coal having come in there has begun to be some knowledge on the part of the Ontario purchasers as to the different grades of coal in Edmonton and of the different mines.

Q. You said Edmonton; did you intend to say Edmonton or Alberta?
—A. The Edmonton field. Their coal is 50 cents less than the Drumheller. I have had a great many interviews with various operators at different times from Alberta, and the general impression I have got from them is that if there was a large market in Ontario they would consider trying to bring the price down 25 to 50 cents.

By the Chairman:

Q. From the prices just quoted?—A. From the prices quoted. Those are the actual sale prices last winter. I do not know whether they will be able to do it or not. I suppose much depends on the wages of the men and that kind of thing, but I am satisfied the prices will be a little less if they are pretty sure of a market.

This coal was ordered through me. The reason for that was because we had to guarantee; the Province of Ontario guaranteed to the Canadian National the freight rate of seven dollars. And we had to pay up very promptly, a few days after we got the freight bills. We did not collect it quite as quick as that. However, we protected ourselves by taking bank guarantees from the people who bought the coal. In that way nobody could get any Alberta coal unless it came through my office. That being the situation it enabled me to make some kind of working arrangement with the Alberta officials, in this way, that if they would notify me of mines which were not desirable to ship coal to Ontario from, I would simply tell people who sent in orders for those mines that they had better not order there. I do not know that I did it roughly or anything of that kind, perhaps I gave them gentle hints at the time, but in that way I did try to get them, in conjunction with the Alberta officials, the better grade of coals. It is very desirable they should be the better grades of coals. Of course, in Alberta you have got a large number of various varieties of coals. On the other hand, if people want a cheaper coal and know what they are buying, I do not see any particular objection to their having it.

Q. Is there any demand for that cheaper coal?—A. There was some demand, yes; there was some demand, but the people knew what they were getting. That is the advice I have given them all along; nobody need be deceived in knowing what they have purchased.

My view is that the best grade of coal is the largest lump coal. There are different reasons for that. Some people would insist, against my advice, in getting Chestnut coal or Stove coal. Well, Stove is bad enough for this market, but Chestnut is much worse. It is very much cheaper and I think that was the principal reason; they would get that perhaps at \$2.50 a ton.

Q. That is run of mine?—A. Not run of mine, no, Chestnut coal. They have been so used to American coal and the grades of American coal that a good many of them cannot think of anything except the same sizes as American coal. On the other hand, there is no doubt to my mind that Alberta Lump is the best for use here. Some of the lumps, of course, from the Saunders Ridge district, particularly, were very, very large, and it is not desirable to have them too big. These are matters that might rightly be matters of education, that is all; no serious difficulty about it. As I said, some people would insist on getting Chestnut size, for example, and then they complained and said it was no good. All I could say, without being too rude, was, "Did not I tell you that." I mean, that is about all that could be done there.

[Mr. J. A. Ellis.]

By Mr. Garland:

Q. Why was it no good?—A. It disintegrates in any case, and the smaller it is the more it disintegrates. When you start in Chestnut size and there is a large disintegration, you have got slack when it lands.

Now, with regard to the future market; I want to say something about that. I would like you to bear this thing in mind with regard to what has been said. I have a list here to which Alberta coal was shipped. I can leave you a copy of it, if you would care to use it. It was shipped to about 250 places, and this is a list of the places to which it was shipped.

By Mr. Bury:

Q. Just before you go on. Have you got also there the names of the mines, or the coal companies from which it came?—A. No, but I can tell you from memory pretty much where the coal came from.

Q. That list does not contain that?—A. No.

By Mr. Armstrong:

Q. Could you put those names on record here?—A. Yes. This is only with relation to the 50,000 tons. I thought perhaps this was enough for the purposes of the Committee. You see, 50,000 tons came in one shipment and the 75,000 tons was spread over last winter and part of it this spring.

By Mr. Bury:

Q. Is this the first 50,000?—A. No, this is the 50,000 that came in February and March. It went to about 250 places, 258 to be exact. In looking over that you will find 258 places (see page 256). 50,000 tons is not very much, to spread around. I do not think you could get more than 200 more places in Ontario, or at least not more than 250.

By the Chairman:

Q. You mean by that, coal all over Ontario?—A. All over Ontario.

By Mr. Armstrong:

Q. You mean by that, coal dealers?—A. Coal dealers largely. For example, the U.F.O. got about 200 cars and distributed it to their various Associations throughout the Province. I was very glad they did, for this reason—not because it was the U.F.O. or any other organization, I would have been glad to have them do it—but for this reason.

By Mr. Flemming:

Q. Did you make distribution to points east of Toronto?—A. Oh yes, all over the Province, except, rather curiously, Windsor district. North, east and west; largely central, of course.

By the Chairman:

Q. How far north?—A. Up to Cochrane. There was a fair quantity went to Sudbury; I mean, in comparison with other places. The point that I want to make about that is this. We consume for domestic purposes something like three million tons a year. Now, a big bulk of that is in the large centres, such as Toronto. Toronto and the suburbs, perhaps take one-third of that; and there is also Hamilton and London and Windsor. Then you come to a very large

[Mr. J. A. Ellis.]

number of small places, a lot of which I have on this list. What happens there is that they are not as well served, there is no doubt about that, as the larger places. The dealer in the large centre has sometimes a little preference. Naturally the dealer in a small place, especially if it is a very small place where they only need a few cars a year, if there is any shortage especially, and even in the best times, he is not always sure of getting coal. "It is not worth bothering very much about him," is the attitude taken.

Q. Is the same preference given to the large centres with American coal?
—A. Undoubtedly; that is what I was referring to, American coal.

By Mr. Bury:

Q. In any case, Mr. Ellis, the preference was due, in the case of Alberta coal, to the fact that you had a limited quantity coming through, is not that right?—A. I gave preference to the small places.

Q. Yes, I know; but the dealers were rationed anyway?—A. Well, to a certain extent. You see, where a small place wanted Alberta coal I let them have it without any hesitation; when a large centre was wanting too much I cut them down.

By Mr. MacDonald (Cape Breton South):

Q. Before you ordered the coal from Alberta did you have requisitions in from these various places for it, or did you just order it?—A. We always got an order.

Q. You always got the order first?—A. With a bank guarantee for the freight; oh, yes.

Q. How would you take that man's coal away from him and give it to anybody else?—A. I did not. What I mean is this: Suppose a man in the usual way ordered, say, 50 cars or 100 cars. I would say, "I won't let you have it, you will get 20," or something like that.

Q. You were a sort of clearing house for Ontario; they all sent their requisitions to you and you ordered it according to your requirements?—A. Yes.

By Mr. Armstrong:

Q. How many thousand tons of orders did you receive from people that you were unable to fill?—A. Oh, about 30,000.

Mr. ARMSTRONG: I merely put that question in before I forget it.

Mr. HOWDEN: He has not finished his statement.

The WITNESS: I think there is no question if the \$7 freight rate was continued we could have quite readily brought in another 100,000 tons, and perhaps by the end of the winter another 100,000. I think there is a prospective market; well, certainly not more than 200,000 tons to begin with. You see it is a little difficult and I doubt if we could take 200,000 tons if it starts again. The people had got accustomed to Alberta coal in a good many districts and that has been broken off. It is unfortunate, but there is the situation.

By Mr. Armstrong:

Q. Do you think you could handle 500,000 tons?—A. Not all at once, no.

Q. You mean, inside of a year?—A. No, I do not. I think that the most that we could handle inside a year would be—if the coal can be brought to Ontario at a price not exceeding \$11, or \$10.50 would be better—that the best that can be brought would perhaps be 150,000. I think it would increase every year but it would take three or four or five years, in my view, to reach half a million tons.

[Mr. J. A. Ellis.]

By Mr. Macdonald (Cape Breton South):

Q. Taking that figure at \$11; what is American coal in competition?—

A. The only comparable coal is the Pocahontas.

By the Chairman:

Q. What is that sold at in Toronto?—A. It is sold at about \$12 to \$12.50.

Q. Can you give us, approximately, how much of that Pocahontas coal is brought into Ontario, or was brought in last year?—A. It was brought in as bituminous, it came under that classification. However, I have made the best estimate I could of that; in dealing with the general statement I will deal with that.

By Mr. Bury:

Q. Is that bituminous coal or sub-bituminous coal?—A. Oh well, it is a first-class coal, there is no question about that.

Q. Good domestic coal?—A. First-class domestic coal, and the people like it very well, those who have used it. It is pretty much in the same class with Alberta coal; whether it is a little better or a little worse, I do not want to express any opinion. However, they are in the same class.

By the Chairman:

Q. What is the price to the consumer in Toronto for Pocahontas coal?—

A. It is about \$12 now.

By Mr. Flemming:

Q. Does that include the distribution cost?—A. Oh yes. \$12 or \$12.50.

By Mr. Garland:

Q. The demand for Pocahontas far exceeds the supply?—A. Undoubtedly; there is no question a very large amount of coal was sold as Pocahontas which never came from there, could not be. There is no question about it because they sold more than the mines ever produced; that covers the States too. However, these things will happen, you know, in a time of scarcity.

Coming back, then, to the Alberta coal. As I said, the U.F.O. distributed 200 cars. This list will show that there has been a very wide distribution and a very large number of small places have got coal. In my view, the future of Alberta coal is that you are going to find it difficult to break into the large centres. That might come by degrees, but your market, undoubtedly, is in the small places. It has taken already there and they want it again. I do not think there is any doubt about it, the big majority of people who have had it. With the larger places you have got to meet the competition of the American anthracite, and also coke, and got to meet many things. Coal dealers, wherever they are, in a large place or a small place, will sell the public what they want, there is no doubt about that. Five years ago very many dealers did not care about handling coke, but I think everybody is handling it to-day. The first thing, to my mind, is to make a market through the small places as much as possible, the larger places will probably come by degrees.

By Mr. Armstrong:

Q. If a barrier was raised against American coal coming in there would be no trouble in disposing of Alberta coal?—A. I tell you the difficulty about that is this: Outside of the domestic supply, which is some three million tons, you have got an industrial supply of American coal, that is bituminous coal, that is

[Mr. J. A. Ellis.]

practically all American coal, and it averages twelve million tons a year. Now, you see if you put any duty—I am not in politics and should not, perhaps express any opinion; I am only giving you the figures as I find them, and the facts—but if you put a duty on American bituminous coal, a dollar a ton, for example, you inevitably charge the people of Ontario \$12,000,0000 a year.

By Mr. Bury:

Q. Leaving out steam coal, or industrial coal. I think the feeling of the Committee is that Alberta steam coal cannot hope to compete?—A. Oh no, no question at all.

Q. But it is a question of the domestic coal?

Mr. ARMSTRONG: We are talking of domestic coal entirely.

Mr. GARLAND: Mr. Armstrong's question relates to coke.

The WITNESS: Coke?

By Mr. Garland:

Q. Yes.—A. Oh, a duty on coke. So far as I can figure, the coke that was used last year was about—perhaps we can go back to the Alberta coal after this is just dealing with the general situation—in 1921 the anthracite consumed in Ontario was 3,024,304 tons; bituminous was 8,854,892 tons. Well, I can leave this with you; I need not bother with all these figures.

Mr. ARMSTRONG: Why not put them in?

Coal Year—1st April, 1925, to 31st March, 1926—

Consumption about 3,000,000

Per Cent.

U. S. Anthracite, actual importations.. . . .	1,615,625 = 55
Coke, about.. . . .	900,000 = 29
Pocahontas and other U. S. Bit., about.. . . .	350,000 = 11
Welsh anthracite, about.. . . .	75,000 = 2½
Alberta, actual.. . . .	75,000 = 2½

Calendar years in short tons—

	Anthracite	Bituminous
1921.. . . .	3,024,304	8,854,892
1922*.. . . .	1,573,545	7,917,917
1923.. . . .	2,999,919	11,048,490
1924.. . . .	2,689,093	10,737,848
1925.. . . .	2,234,049	9,884,710
1926 to April 30,	411,888.	

*Strike Year, anth.

Anthracite—Prices, Gross Ton—

	Company	Ind.
1921-2.. . . .	\$8 15—\$8 35	\$9 25—\$11 00
1923.. . . .	8 75— 9 25	9 85— 11 50
Freight rate to Toronto—	\$4 56 per gross ton.	
Freight rate to Ottawa—	\$5 31 per gross ton.	

Bituminous—Prices, Gross Ton—

	Per gross ton
Freight rate to Suspension Bridge.. . . .	\$2 09
Freight rate to Toronto.. . . .	3 09
Freight rate to Guelph.. . . .	3 49

Coke—Calendar year, 1925—

[Mr. J. A. Ellis.]

	Tons
Imported..	739,104
Produced..	761,149
Exported..	19,438
	<hr/> 741,711
Apparent consumption..	<hr/> 1,480,815

Prices of Alberta coal—

Lakeside..	\$3 50
Penn..	3 50
N. Western Fuel Supply Co. S.S.Lp..	3 75
N. Western Fuel Supply Co. D.S.Lp..	3 95
Western Commercial..	3 95
Atlas Coal Co..	4 00
Alberta Central Distributors..	4 00
Jewell Collieries..	4 00
Alexo Coal Co..	5 50
Saunders Ridge..	5 00
Marcus..	3 50
Midland Lump..	3 95
Western Gem..	4 00
Rosedale..	4 00
Rosedeer (Doyle)..	4 00

By Mr. MacDonald (Cape Breton S.):

Q. Just read them so that we can get an idea as we go along?—A. Then in 1922 anthracite fell down to approximately one million and a half tons, and in that year the bituminous about eight millions. 1923; the anthracite came back to about three million tons, and the bituminous was eleven million tons. I should say that the public got generally irritated here, and perhaps in the States, about these constant strikes in the American anthracite field and after the strike being settled always an increase to the consumer.

By Mr. Flemming:

Q. That is to pay the bill?—A. Whatever it is, the public began to get rather tired. In 1924, about three million tons less of American anthracite.

By Mr. Garland:

Q. Three million tons?—A. No, 300,000; that is about ten per cent. The opinion I have is that was entirely taken up by coke, that is, something like the quantity that was sold in that year. In 1925—this, of course, was another strike year—2,234,049 tons, and bituminous, about ten million. What I have given you is the calendar year. What I am giving now is in the coal year, which is from the 1st of April, 1925, to the 1st of April, 1926. American anthracite coal, the actual importation, was 1,615,625. Coke—the best estimate I can make—900,000 tons.

By the Chairman:

Q. What proportion of that was American coke?—A. As near as I can tell, about half. Pocahontas and other American bituminous coals, that is for domestic consumption, about 350,000 tons. Welsh anthracite, about 75,000 tons; Alberta coal, actual, 75,000 tons. Now that means, in percentages, American 55 per cent, coke 29 per cent, Pocahontas and other American bituminous coals of

that character 11 per cent, Welsh anthracite $2\frac{1}{2}$ per cent and Alberta $2\frac{1}{2}$ per cent. In 1922 my life was a burden. There was a shortage of coal and we only got 60 per cent of our usual supply. Everybody would use nothing, or at least they said they would not, except American anthracite. You could not persuade them, no matter what you said, they would not try Pocahontas or Welsh coal or coke or anything else. My staff dreaded going to the office for weeks and weeks. We had people say that they wanted a ton of anthracite and when they went to get it they would be advised they could get some anthracite with some Pocahontas or some coke, or something of that kind; they would not take it, they would freeze. That was about the situation.

By the Chairman:

Q. You have referred to 1922?—A. 1922. Since then there has been considerable propaganda or discussion and one thing and another, and the people, I think, are changing. Last winter, as far as I was concerned, although we got almost the same, 55 per cent, almost the same quantity of American anthracite, I had no trouble. The people had turned to coke, to Pocahontas, and a little Welsh coal and whatever Alberta coal they could get. My conviction is this from what information I can gather—I do not know whether the American operators would like it or not—but my honest opinion is that they lost thirty per cent of their market that they will never get back; that is my conviction.

By Mr. Armstrong:

Q. That is the anthracite market?—A. That is the anthracite people. It depends entirely on what is done about coke, Alberta coal and Welsh anthracite. My view is that if you want substitutes for American anthracite, now and always, Welsh coal is better than American; second, coke, and Alberta coal. If you want substitutes for American anthracite, I class, as I said, American anthracite before coke and Alberta coal.

By the Chairman:

Q. But not before Welsh coal?—A. I won't class Welsh coal below anything, personally. One reason why the public are turning to substitutes for American anthracite is because they think the price of American anthracite is too high and they do not like this going up in price after every strike. Now, in considering substitutes you have got to bear that in mind, of course; if you do not have the proper difference between American anthracite and coke and Alberta coal the people will go back to American anthracite or coke, and Alberta coal will be out. You have got to preserve a proper difference. That is my view for it. I think you must quote coke or Alberta coal to sell at no greater price than \$2 less than American anthracite. If you do, as I said before, American anthracite will come back again and stay.

By Mr. Armstrong:

Q. Yesterday we had a man here who lives on the other side and he said that in the State of Michigan ninety per cent of the coal used as domestic coal was bituminous coal?—A. I would not be surprised.

Q. Why cannot the people of Ontario use bituminous coal instead of anthracite?—A. They can. As I said before the Senate Committee three or four years ago, it is just like a man who has been used to one particular breakfast food all his life and he has persuaded himself there is nothing on earth will keep him alive except that particular thing.

By Mr. Garland:

Q. That can be overcome by education?—A. Exactly; just a question of education. It is overcome to some extent in Ontario already, as is indicated by the consumption of other fuels.

[Mr. J. A. Ellis.]

By the Chairman:

Q. Is there any falling off in the quality of anthracite coming from Pennsylvania?—A. Well, the general impression is that it contains a little more slate than it used to in years gone by. Then there is this difference; the coals I have mentioned, that is Welsh anthracite, coke and Alberta coal, and those bituminous coals that can be used for domestic purposes, the quantity of ash is greatly less than that of American anthracite. From my experience—I have used anthracite for some years—I should say it is not much more than a third. Of course, on the other hand, the heating power, outside of Welsh coal, which is the best, better than American, of coke and Alberta coal is not as high; you do not get the burning qualities out of them which you do out of American anthracite. That is why there must be a difference in the price. Then both of them have the advantage of having very much less ash. It may be prejudice as far as Ontario is concerned, but it is beginning to be a little prejudiced against American anthracite. They are willing to turn to something else if they get a reasonable chance.

By Mr. Armstrong:

Q. This is the time to make the change?—A. Now, with regard to Alberta coal. To my mind, you cannot do anything with it unless you can lay it down on the docks in Ontario at not more than \$7. There is not a bit of use in thinking about \$7.50 or \$8.

By Mr. Bury:

Q. You mean a seven-dollar freight rate?—A. Oh, yes. Not more than four dollars for the coal.

By Mr. Flemming:

Q. Your delivered price would be around \$11?—A. No, you have to allow for distribution. I received many complaints from people that they were charged as much as \$15. When I took further orders I made it a condition they were not to charge more than \$2.50 for cartage and overhead expenses and handling and profit and everything else, except in cities like Toronto, where a municipal by-law existed that it had to be delivered in bags. I allowed 50 cents more for that. That made it, you see, \$11 and \$2.50; \$13.50.

Q. As compared with what price for anthracite?—A. Well, in Toronto anthracite to-day is \$15.25 for nut, and \$15.75 for the other grades.

By Mr. Bury:

Q. So long as there is two dollars difference between the coals the Alberta coal would be all right?—A. Yes; that is my conclusion, that there must be that difference. I think it is possible that the operators in Alberta might be able to come down a little but I doubt if they would be able to come down more than 25 cents from the prices I have handed in.

By the Chairman:

Q. But all your figures are based on the seven-dollar rail rate?—A. Yes, absolutely; without that it is perfectly hopeless.

By Mr. Bury:

Q. The main thing is this: that Alberta coal, if it is to compete, must be put on the market at not more than \$13.50 a ton?—A. That is right.

Q. To the consumer?—A. To the consumer, that is the proposition, a price not exceeding that. Of course, if you could make it less the more you would get.

By the Chairman:

Q. That practically means \$11 alongside?—A. Yes.

By Mr. Armstrong:

Q. Have you covered all your report or statement that you wish to make, Mr. Ellis? I have a few questions I would like to ask.—A. Well now, something was said——

By Mr. Bury:

Q. Before you go on to that, just before you answer Mr. Armstrong's question; the price is \$11 f.o.b. Toronto, and then you charge, you say, \$2.50 for the distribution charges and all the rest of it?—A. Yes.

Q. And does that include bagging?—A. I allow 50 cents extra for that.

Q. That would bring it up to \$14 a ton bagged and delivered in Toronto?—A. In Toronto, but in practically every other place \$13.50.

Q. I understand that.—A. I might say that roughly two-thirds of the coal that was brought in, of the 75,000 tons, came from the Drumbeller field. One-third, about, from the Edmonton field; very little from the Saunders Creek. Nothing, of course, from Lethbridge because that is on the C.P.R., and that is the difficulty there. I have given practically all the mines from which coal came. Just before that, I might say that I understand that the Alberta Government did make every effort, through inspectors, to see that nothing except the very best coal was shipped here. There have been some complaints, it is true, but nothing I think that reflects at all on the Alberta operators.

By Mr. Garland:

Q. Most of the complaints were in the way of shortages, were they not?—A. Yes; and the trouble about that is that the railway weighs the coal. I have had some complaints on that, yes. I have advised the people to make claims but nothing has come of it. Of course, these shortages do not arise from wrong weighing. I think they arise from leakages in the car in transit because I know of one case particularly where a man went to unload his coal and he found there was practically none in one end, that there was a hole in the car. He did not get anything from the railway company at all because the railway company said that he should have drawn the attention of their agent to it when he unloaded. However, you have some cases like that. You could not help it. My own opinion is that practically all the cases of shortage were loss in transit.

By the Chairman:

Q. This was emergency shipment. That could very well be prevented if there was regular shipments?—A. Oh, yes. You see, on shipment like this they did not use all the best cars.

By Mr. Bury:

Q. And they were purposely using small cars because they wanted a wider distribution; is not that right?—A. Yes.

Q. Are Edmonton mines down in that list you give there?—A. Yes.

By Mr. Garland:

Q. Do the Alberta operators sell by the short or long ton?—A. Short.

Q. There is no leeway then?—A. No; if there was we would be in a different situation.

Q. No complaint at all as to the quality of the coal?—A. No, except in a few cases where they got small sizes.

Q. That was the fault of the buyer?—A. Oh, as to burning quality, no.

By Mr. Armstrong:

Q. Or as to the grades?—A. No. I have had no particular complaint as to that. Incidentally I can file this with you, if you care about using it. It

is just expressions of quite a number of people who bought coal and what their customers say about it.

Mr. BURY: I would like this filed.

By Mr. Armstrong:

Q. Are they all praising Alberta coal?—A. Without exception.

Q. Or have you some of them that criticize it?—A. I did not get any that was adverse.

Q. I will have to send you some?—A. Well, I have not had any.

By Mr. Garland:

Q. Just on that point, Mr. Ellis. You heard Mr. Armstrong's statement to the Committee yesterday that some cars of coal had been received badly mixed with grass and earth and of a very poor quality?

Mr. BURY: That was not yesterday.

By Mr. Garland:

Q. Recently Mr. Armstrong made the statement that some coal from Alberta had arrived and complaints had arisen; I am not sure whether the complaint was from the unloader of the car or from the person who saw the coal in the cellar?

Mr. ARMSTRONG: The person that bought the coal and saw it on the car is an ex-member of this House.

By Mr. Garland:

Q. That it was very dirty and had grass and other stuff mixed in with it? —A. That is quite likely; I have no direct complaint as to that, but I tell you why it is likely. Occasionally there may be a wreck and then they very carefully gather up the coal and if that happens you get some grass in it.

By Mr. Bury:

Q. It is not likely that the mine operators would put grass in?—A. I would not suppose so.

Mr. ARMSTRONG: Mr. Bury, you have read one of the letters yourself.

Mr. BURY: I read the letter. I want to correct Mr. Armstrong; it was not an ex-member who saw the coal; the complaint was made to him.

The CHAIRMAN: The statement is made by Mr. Ellis and we have letters here from coal users all over Ontario that the quality was satisfactory.

The WITNESS: The reason I know this thing has happened is, in this last shipment I guess we had ten or a dozen cars wrecked. I would get a bill of lading with a certain car number and never hear any more of the car. Then I would hear that some other cars had landed with different numbers and after making some inquiry I would find that the car had been wrecked at such and such a place and transhipped to some other car. Naturally, some of them are so badly wrecked we never get any at all.

By Mr. Bury:

Q. You do not often get grass?—A. We do not often get grass.

Mr. GARLAND: That explains the grass now.

Mr. ARMSTRONG: I will put that letter on record so that you will know.

By Mr. Garland:

Q. Have you had any complaint with respect to the dealers handling what they allege to be Alberta coal and which was in fact not Alberta coal?—A. There was some of that, yes; there is no doubt about it that some soft coal was sold as Alberta coal.

By the Chairman:

Q. Was there any mixing by coal dealers?—A. That is, of course, impossible to tell. I had some suspicions of it; I mean, I have had people say they suspected that and asked me to go down and look at it, but I could not do anything because I could not tell you what it was.

By Mr. Garland:

Q. Do you remember one instance when Mr. Stutchbury was down in Toronto and a complaint was presented to him and he went down to the cellar and found it was principally Illinois slack and a small quantity of Alberta coal?—A. Yes.

Q. And it was sold as Alberta coal?—A. Yes.

Q. You remember that instance?—A. Yes; he found several instances of that. Of course, these things happen.

Q. Would a Coal Sales Act by the province concerned prevent that sort of thing, tend to prevent it?—A. I tell you the only thing I can think of is—the difficulty has been, and it has been my problem in all these complaints—it is not only Alberta coal I have had complaints about, it is Pocahontas. I have had lots of complaints about selling something else for Pocahontas, and these things arise in all grades of coal—really, you have got this difficulty; it would require an expert to be constantly in every coal dealer's yard; it is an almost impossible thing. The only solution I could offer would be; frankly the only solution I could offer would be that the province might license the coal dealers—the municipalities, rather; that would be better still. I do not mean a license that is any imposition, I mean a nominal license of a dollar a year; a dollar would be sufficient, with a right to cancel that license. That is my opinion and my suggestion. I should not be suggesting these things, perhaps; I am only an official and I cannot speak for anybody, only my own personal view; I want that distinctly understood.

By Mr. Armstrong:

Q. Did you examine any other grades of Alberta coal?—A. Personally, no.

Q. Had you any of your officials examine them?—A. No.

Q. You have no idea of the deterioration or anything of that?—A. No. My general information is it is not very much in the lump sizes. As I said before, the smaller the size gets the more deterioration there is.

By Mr. Bury:

Q. Mr. Ellis, can you give us any information regarding the operation of the Anti-dumping clause?—A. No.

By Mr. Armstrong:

Q. Have you investigated, or have you handled any of the Nova Scotia coal?—A. No.

Q. Have you investigated lake and rail?—A. Very little Nova Scotia coal comes to Ontario.

By Mr. MacDonald (Cape Breton South):

Q. Did you make any inquiries about handling Nova Scotia coal in Toronto from Montreal during that strike last winter?—A. No. The difficulty there is the rail rate is prohibitive from Montreal.

Q. What is the rail rate from Montreal to Toronto on coal?—A. I forget exactly; I think it is about \$2.40, something like that. I have no exact figure but it is around that.

[Mr. J. A. Ellis.]

Q. Then at that rate could not you land Nova Scotia coal in Toronto?—

A. We were not short of bituminous; we had all the bituminous coal we wanted from the States. It was the domestic that was the only shortage.

By Mr. Garland:

Q. A moment ago you indicated that in order to overcome the prejudice against it—it has in part been overcome to-day by the American strike and also by the operation—you suggested educational work. The province of Alberta, as you know, have carried on a great deal of that work?—A. Yes.

Q. But being the province interested more in the production than the consuming end, it could hardly carry on the educational work all the time in Ontario?—A. Yes.

Q. Would you suggest that the educational work there should be carried on by the province, or do you regard this as a national question that should be carried on by the Department of Trade and Commerce here?—A. I would not care about expressing an opinion about that. You see, after all, the fuel problem of Canada is mostly Ontario, with the western part of Quebec. That is one consideration. The other one is: if it is desirable that Ontario should be supplied within the Dominion then it becomes at once, of course, to a certain extent a Dominion proposition. If you leave Ontario to find its own source of supply then it is for Ontario alone.

Q. Do you think the market for Alberta coal could be extended very materially in Ontario if the Department of Trade and Commerce would undertake educational work?—A. Yes; and I do not think they need to undertake a great deal, for this reason: I have correspondence from at least a thousand people in Ontario with regard to Alberta coal. The thing is started, it is only a matter of continuing.

Q. The coal would have to be laid down at Ontario points at a flat rate of about seven dollars per ton?—A. Yes.

Q. The whole question of the rate on the coal from Alberta to Ontario is now before the Board of Railway Commissioners?—A. Yes.

Q. They will not hear the case until September and no action can therefore be taken by Parliament itself until after the next coal season is over?—A. Yes.

Q. Would you recommend that any provision be made for the authorization of action by the Governor in Council in the event of a suitable rate being found by the Commission? I might put it perhaps more clearly. The difficulty is that the Board of Railway Commissioners can do nothing else but simply authorize a report?—A. You mean they would have to wait, even if the Board of Railway Commissioners reported favorably on a seven-dollar freight rate; you would have to wait until the next session of Parliament?

Q. Yes; unless some power was vested in the Governor-in-Council?—A. It seems to me the bigger gap you make between the supply we had last winter and the next supply it will be worse for us; there is no doubt about that.

By the Chairman:

Q. And the educational work that has already been done would be lost.—A. Yes.

By Mr. Garland:

Q. You agree that it is imperative we should have action prior to the next coal season?—A. If you ask me, I think it would have been infinitely better if these conditions, or freight rate had gone on.

Q. For the sake of the record, will you please answer my question?—A. Most decidedly.

By Mr. Armstrong:

Q. Would your organization be able to supply the best grades of Alberta coal to the people in the province in conjunction with Alberta?—A. I would not want to take that responsibility. Primarily I think that is more for Alberta than it is for Ontario. They should know more about their coal than we do. But what I find, Mr. Armstrong, in connection with that, is this: I have been bothered a little bit with mines in Alberta insisting on sending poor coal from mines in Alberta that was not suitable, and I wrote some of them and simply refused to have anything to do with it. What I did do, was this: When people wrote and ordered coal, provided they were ordering from a mine, I took it. If they wrote and said they did not know who to order from, I advised them by quoting them six or seven or eight names and letting them make their own choice.

Q. Don't you think someone in Alberta should take the responsibility of grading and examining the coal before it is shipped?—A. I certainly think it should be looked after.

By Mr. Garland:

Q. Did you not already intimate that was done in the case of the emergency shipment last winter?—A. Yes, it was.

By Mr. Bury:

Q. And your idea is it should be continued?

By Mr. Armstrong:

Q. By the Government of Alberta?—A. Oh yes, by the inspectors.

Q. You said you received considerable coal that was priced \$3.25 per ton at the mines?—A. \$3.50.

Q. \$3.50 was the lowest. Was that \$3.50 per ton coal the best quality?—A. It was the best quality of that district.

Q. Yes, but was it a satisfactory quality for the people?—A. Well, you see you come to a very nice question there. There are undoubtedly different grades of coal from Alberta; there are undoubtedly some that are superior to others.

Q. But this was the best grade?—A. No, it was not; some of it—

By the Chairman:

Q. Your best grade was your \$3.95 coal and \$4?—A. \$5 and \$5.50 is the best grade, undoubtedly.

By Mr. Flemming:

Q. What did you say the name of that creek was?—A. Saunders Creek.

Q. That is the highest grade?—A. That is, yes. Lethbridge is all right.

By Mr. Bury:

Q. But Lethbridge is on the C.P.R. and it is out of the question?—A. You cannot get it. For Ontario we really only got the Drumheller and Edmonton and Saunders district, that is all. The Saunders is the highest, and the Drumheller in between and the Edmonton district is a little cheaper.

MR. GARLAND: There may be a misunderstanding in the minds of the Eastern members of the Committee as to the action of the Alberta Government. Now, in Saunders Creek particularly there is, unfortunately for our market, a differential rate meaning an addition of 40 to 50 cents a ton. The Saunders Creek coal did not come on the \$7 rate, it came on a \$7.40 or \$7.50 rate, but the Alberta Government absorbed that difference entirely; this was their contribution to the general movement.

The WITNESS: There was a differential; it did not amount to a great deal, 10 to 70 cents. Saunders Creek unfortunately was under the biggest charge, but the Alberta Government, as Mr. Garland says, paid that differential, so it did not affect anything. Drumheller and Edmonton fortunately happened to be on the ordinary rate.

By Mr. Armstrong:

Q. Have you investigated at all lake and rail handling of coal?—A. No, I have not. There would be one difficulty there, and that is the disintegration of the coal. Welsh coal has the same trouble. With Welsh coal, you can ship it as the most perfect lump and when you get it it is 30 per cent slack, sometimes more. I am a little afraid with Alberta coal, that in the carriage of it it will disintegrate too much with too much trans-shipment.

Q. But you are receiving in the City of Toronto, for instance, 10,000 tons of American coal, brought there by boat, are you not?—A. Oh yes, but not for domestic use.

Q. None of it for domestic use?—A. Well, what comes there by boat is largely only industrial, it is steam coal.

Q. You have not investigated that?—A. No.

By Mr. Garland:

Q. Just on that, from your experience with Alberta coal would you indicate a certain timidity in declaring whether it would stand trans-shipment?—A. It has a high moisture content and the more that is handled and the more it is exposed to the air—

Q. Will it stand an open car?—A. I doubt it.

By Mr. Bury:

Q. This is a suggestion that was made yesterday. While it might suffer on the long haul from the fields in Alberta to Toronto, if it were hauled to the head of the lakes, with the considerably shorter exposure in the cars, it might possibly stand that in open cars?—A. It might, but then the trouble there, you see, is handling.

Q. Oh yes, I am not talking about handling; handling is the other proposition?—A. If you are going to ship from Alberta by all rail I think you have got to send it in closed cars, in box cars.

By Mr. Armstrong:

Q. Could you give us an estimate of the cost of your department in Ontario?—A. About \$2,000.

Q. Would that organization be able to co-operate in any extended shipment of Alberta coal?—A. Yes.

Q. Would that be much greater expense?—A. That would depend. You see, I have a staff—I have charge of a little department there, not very large; the fuel business is sort of added to it.

Q. The Committee have been considering the sending of test cargoes by lake to points on Lake Huron, the St. Clair River and Lake Erie. Your organization could co-operate with the delivery of that coal, could they not?—A. Well, I tell you, just in this way. First; I would not care about our taking charge of cargoes of coal; we must have customers for it. I mean, we must have people who are going to take it. We could not afford to have it landed on the dock and at our disposal to sell. Another question there is: when it is landed you have to put it into piles, then the railroad companies charge you 20 cents a ton for even switching, and the minimum freight charge to any point, almost from

[Mr. J. A. Ellis.]

any point is about 60 cents, I think, and to points in Ontario it will run from 60 cents to \$2, the farthest point perhaps \$2. Now, we would have no objection to taking charge of it providing we got customers for it in advance.

By Mr. Bury:

Q. The same way as you did before?—A. Yes.

By Mr. Armstrong:

Q. If the Government of Ontario were to assume the responsibility of handling, say, up to 500,000 tons within the next two years, an organization could be put in effect to handle that, could they not?—A. Oh yes; but I have no hope of getting 500,000 tons in two years; you might in four or five or six, but not in two.

By Mr. Garland:

Q. Why, Mr. Ellis?—A. It is like everything else; you have got to come at it by degrees. You could start, I think, with a reasonable market; perhaps, as I said, if this thing had gone clean on, of 200,000 tons. Now, I think 150,000 tons is the best you will do next winter.

Q. Supposing there was a continuance of the movement of Alberta coal to Ontario points, how rapidly could we displace anthracite and other domestic fuels?—A. I think at a rate not exceeding 100,000 tons a year.

By Mr. Armstrong:

Q. You mean under present conditions?—A. Yes.

Q. If conditions were changed that might change more quickly?—A. Well, you see, if you can make the thing much more attractive to purchasers, yes.

By Mr. Bury:

Q. Take the condition of things as they were during the test movement at the seven-dollar flat rate—that is Mr. Garland's suggestion—supposing that had continued, you think we would have been able to displace other domestic coal at the rate of about 100,000 tons a year?—A. Yes.

Q. And no more?—A. It would depend. Take last winter, of course—

Q. Of course, there was another strike?—A. Another strike would be a different thing.

Q. Surely?—A. I am taking normal run.

Q. I know. We could displace that at the rate of about 100,000; but if there was another strike it would go right up?—A. Oh, of course.

By Mr. Garland:

Q. Mr. Ellis, you mentioned the price of anthracite going up after each strike; did it go up very materially after the last strike?—A. Not very much.

Q. Why?—A. Because neither the workmen nor anybody got anything. There was this difference: Generally on the 1st of April the operators in the States give 50 cents less, reducing it 10 cents a month till the expiration, till it is gone; that is five months. This time they did not do it. The result was—take the prices in Toronto, for example, and that is the best criterion—the prices before the strike were \$15.50, now I think it is \$15.25 for nut coal and \$15.75 for the other grades, stove and egg. That is a slight increase, entirely warranted, I think, so far as the dealer is concerned, by the change that has been made by the operators. It is not very much, of course.

Q. Did the price of Alberta coal in the Ontario market at that time have any corrective influence on prices?—A. Oh, certainly it steadied it a little. I would not say Alberta coal alone; undoubtedly Alberta coal and the coke did steady it.

[Mr. J. A. Ellis.]

The CHAIRMAN: Will that be all, Mr. Garland?

The WITNESS: I might just add this: the Alberta Government, as a matter of fact, has issued a pamphlet, or somebody has, in which they grade all Alberta coals. I have used that myself.

W. J. HALPIN, called and sworn.

The CHAIRMAN: When we wrote to Mr. Halpin regarding the cost of distribution, he answered on June 7th; I would like to put his letter in.

OTTAWA, June 7, 1926.

Mr. V. CLOUTIER,
Asst. Chief Clerk of Committees,
House of Commons,
City.

DEAR SIR:—Replying to your favour of the 31st ult. the tonnage handled by us during the past year (year ended March 31st, 1926) was made up as follows:

	Per cent
Pennsylvania Anthracite..	57.1
American Bituminous Lump..	18.5
By-Product Coke (from Hamilton with the exception of a few cars from Sydney, N.S.).. . . .	13.2
Welsh Anthracite..	10.3
Smithing and Canal (from Pennsylvania and Kentucky).. . . . .	.9
	<hr/> 100

The Pennsylvania anthracite, Welsh anthracite and by-product coke were practically all for domestic use and the bituminous lump was for use in office buildings and for other commercial trade. Of course if there had not been a strike on in the Pennsylvania anthracite field our sales of that fuel would have been a larger percentage of our total sales, with of course a corresponding reduction in the percentage of sales of other fuels.

We have no suggestions to offer. However, if you feel we are in a position to give you any information that would be of benefit to you we are at your service.

Yours very truly,

JOHN HENY & SON, LIMITED.

(Sgd.) W. J. HALPIN,
Vice-Pres. and Managing Director.

By the Chairman:

Q. Mr. Halpin, you are the Vice-President of the John Heney Co. Limited?

—A. Yes sir.

Q. You are engaged in the coal business?—A. Yes sir.

Q. How long have you been engaged with the Heney Company?—A. 19 years.

Q. 19 years. You are familiar with the coal situation in Ottawa?—A. Yes sir.

Q. Mr. Halpin, have you handled Nova Scotia coal in Ottawa?—A. We have, in small quantities.

Q. Will you tell the Committee what your experiences were with Alberta coal?—A. You said Nova Scotia.

Q. Nova Scotia coal?—A. Nova Scotia coal is a soft coal, a bituminous coal. Our soft coal trade here demands a lump coal and the only way Nova

Scotia coal could be brought up to Ottawa would be by boat to Montreal and then by rail from Montreal to Ottawa. The result is that when it gets here it is pretty often mostly slack. As I say, our trade demands a lump coal.

Q. What quantity of Nova Scotia coal did you handle, Mr. Halpin?—A. I just remember odd shipments of two or three cars at times. It is some years since we have brought any up but we have been in touch with them and got prices recently and they could not undertake to give us lump coal.

Q. What is your freight rate from Montreal to Ottawa?—A. \$1.30 a ton.

Q. And at \$1.30 a ton it cannot compete with other coals?—A. No. By making a special price at Montreal, and adding on the \$1.30, they are able to make up a price practically equivalent to the American coal, but, as I say, their's is practically slack and the American is a high-grade lump coal.

By Mr. Bury:

Q. Did you say the freight rate Montreal to Toronto?—A. No, Ottawa.

By Mr. Armstrong:

Q. If you had a five dollar rate at Montreal could you not handle this trade to advantage?—A. Our trade demands a lump coal. At a five dollar rate we might sell a small quantity but practically all of our soft coal business is in lump coal.

Q. Yes; but the information we have; if it actually arrives in good condition in Toronto, after being handled twice, it certainly must land in good condition in Montreal. It is only handled into the cars; why would it get slack coming 125 miles?—A. First of all it is unloaded on the dock in Montreal and piled, some 100,000 or 200,000 tons, and then it is exposed for some time and loaded on cars. The extra loading on the car and the exposure on the docks in Montreal; when it gets here it is practically run of mine and a lot of slack.

By Mr. Howden:

Q. I was going to ask if the witness had a voluntary statement to make that he had prepared?—A. No, I have prepared no statement.

By Mr. Flemming:

Q. Are you familiar with the coal that is in use generally in Ottawa and this vicinity?—A. Yes.

Q. Is there any considerable quantity of Nova Scotia coal coming here?—A. Outside of the Government and a couple of large manufacturers, there is very little.

Q. We had the evidence that the Canadian National is using it as far west as Ottawa?—A. Yes.

Q. Do you think there is some industrial use besides that?—A. Yes.

Q. What is the ordinary price, say, at Montreal?—A. Well, I understand their price at Montreal is \$5.50, but for coal coming up to Ottawa they will probably make a price of \$5.

Q. And your rate of freight is what?—A. \$1.30.

Q. How does that compare with American prices?—A. That was practically at the same price for high-grade American $\frac{3}{4}$ lump.

Q. Then it gets down to the question of quality?—A. That coal we supply is for office buildings and what we call "commercial trade." It is a trade where they are using it in place of anthracite and they want it lumpy. In fact we do not import any run of mine from the States, it is all $\frac{3}{4}$ and two inch lump.

Q. Now, if you were handling in large quantities so that the coal could be taken from the coal boats at Montreal and delivered quickly, would that materially affect this disintegration you speak about?—A. I do not suppose

there would be so much if it was loaded right from the boat on to cars and sent up here. But even with such shipment it would be run of mine coal up here; it would not be coal that would satisfy.

By the Chairman:

Q. It would not sell as graded coal?—A. No.

By Mr. Flemming:

Q. As a coal dealer, would your judgment be that the coal could be selected out of a shipment so that it would largely meet the same requirements as your American coal could?—A. The Besco company know what our requirements are and they have told us at the present time they cannot supply lump coal.

By the Chairman:

Q. When was that told you, Mr. Halpin?—A. This spring.

Q. Did they give you any reasons for not being able to supply you with lump coal?—A. Well, no; but, as we say, we have brought it in in the past and we knew what it was like and asked them if they would bring us lump coal. They said, "No." They would bring it up by boat in large cargoes to Montreal and trans-ship it there. Even $\frac{3}{4}$ lump from the States trans-shipped from one car to another won't arrive here in quite the satisfactory condition to suit our trade.

Q. As a matter of principle would you use Nova Scotia coal in preference to American?—A. Sure, we prefer to sell Nova Scotia coal if we could get the quality preparation suitable for our trade.

Q. Have you ever used any coal from New Brunswick?—A. No, we have not.

By Mr. MacDonald (Cape Breton South):

Q. Where is your business?—A. Ottawa.

Q. You just conduct a retail business here?—A. Yes, sir. We sell some small quantity in Eastern Ontario, but practically Ottawa.

Q. All in the city of Ottawa?—A. Yes.

Q. What is the extent of your business, are you the largest retail dealer here?—A. Yes, sir.

Q. Now, I understand you to say that Nova Scotia coal landed here stands you about \$6.30?—A. Yes, sir.

Q. And you cannot sell it for that; that is, you cannot sell it on account of the quality?—A. Our trade here, as I say, demand a lump coal, practically all of our soft coal trade.

Q. Just what is your trade here?—A. Office buildings and places where they might switch from anthracite.

Q. Are you selling domestic?—A. Practically none.

Q. Was not there some Nova Scotia coal sold here in the City this year for the hospitals or schools or something like that?—A. The schools have given a contract for some for this coming year.

Q. Do you know at what rate?—A. Not exactly. Around \$7.00; \$7.20 and \$7.14.

Q. Did you tender for that contract?—A. No sir.

Q. That is outside of your line of work, is it?—A. I beg your pardon.

Q. Is that outside of your line of business?—A. No, but we have not tendered on that contract for some years; we did not put any quotation in.

Q. Would you mind giving us the name of the official who told you that he could not supply you with the requirements?—A. Mr. Kempton; he is their local representative. That is, he said he could not give us lump coal. They could give us any quantity of the ordinary coal.

Q. But that did not suit your requirements?—A. No.

By Mr. Garland:

Q. Have you a dealers' organization here?—A. No sir.

Q. You have no organization of any kind?—A. Back in 1922 there was a committee formed at the request of the Mayor and the Board of Control to bring in Welsh coal. I was the secretary of that organization, but that was disbanded in the following year. I am not an officer of any organization.

Q. You have not any understanding amongst yourselves as to questions of tender and that sort of thing?—A. We discuss certain matters from time to time. If you are referring to this contract; our reason is: Some years ago we tendered on a contract on that work, and although we were the lowest we did not get it, so Mr. Heney has refrained from tendering on that contract since.

Q. I noticed sometime ago on Bank St., I do not know the name of the place but it was pretty close to Keith's Theatre, a coal dealer advertising New Brunswick coal at rates running around, during the years I have been here, from \$11.00 to \$12.00 a ton?—A. Yes.

Q. Is that not an excessive price for New Brunswick coal?—A. Well, as I say, I think that coal, he brought it in and had to screen it and he was probably selling lump out of that and delivering the fines on some contract he had. We certainly would not want to sell that coal at any such price, that is, New Brunswick coal. That coal will run about 20 per cent ash.

Q. It struck me at the time it was a most extortionate rate to charge for that type of coal?—A. As I say, we were selling Pennsylvania or West Virginia soft coal, lump coal at \$9.25. Of course, back in 1920, at one time when the demand was very high, we had to pay \$6 and \$7 a ton at the mines. On one occasion we sold that soft coal higher than we did anthracite.

By Mr. Armstrong:

Q. Could you tell us who supplies the Parliament Buildings with coal?—A. The Minto Company, I think supplied it for a number of years. I think last year the Minto Company supplied part and the British Empire Steel Corporation.

Q. Between New Brunswick and Nova Scotia coal, the building was supplied?—A. Some years ago we supplied the Parliament Buildings here with anthracite coal. We sent you a letter showing the percentage of the different grades of coal that we sold: Pennsylvania anthracite so much, and coke, and bituminous coal, and Welsh coal. I presume you wonder why we do not sell a larger percentage of other coals and less of the Pennsylvania, that is, Pennsylvania anthracite. The first reason is that the trade of Ottawa here for some time have been accustomed to the Pennsylvania anthracite, for a great many years, and they demand that coal. Now, as I mentioned a few moments ago, personally we would rather sell Canadian coal, if the demand was for that coal. You might say, why don't we push the sale of that coal. One very great objection that we have against Alberta coal is that it is such a long distance from here. Now, I know that there are many occasions during the last ten years, if we had been depending on a source of supply two thousand miles away we would have been in quite a predicament on numerous occasions. Just to mention one. In 1917, during the month of February, coal was pretty scarce. We had had a lot of stormy weather and we reached the state where there was only two or three days' supply of Pennsylvania anthracite in the East and West Block. We had only a very small supply in our bins. We had cars scattered along the Delaware and Hudson from the mines to Rouse's Point. We had officials out from the company going from station to station digging out our cars and trying to get them taken out from the sidings. As I say, we were in a predicament, where there was practically no chance of getting those cars in, and the East and West Blocks were practically out of coal. We got in touch with our mines on the telephone and on the following morning there was a

[Mr. W. J. Halpin.]

trainload of 62 cars left and came right through on passenger train schedule. Those came in here inside of 48 hours. If we had been depending on a supply two thousand miles away that is one instance of where we would have been up against it.

Q. Have you any reason to believe that the coal used in the public buildings is not of satisfactory character?—A. Which coal are you referring to?

Q. I mean the New Brunswick and Nova Scotia coal?—A. Nova Scotia coal is far superior to the New Brunswick.

Q. Well, we have heard a man like Mr. Wolvin tell us of the satisfactory manner in which they can produce Nova Scotia coal and deliver it at Montreal. I would be surprised at such a difference between Montreal and Ottawa?—A. A great many large buildings are equipped with stokers which can use slack coal, soft coal; it is more efficient, in fact they call for that. We supply a trade that demand lump coal; they have not a man constantly in attendance.

By the Chairman:

Q. I want to ask a few questions about the delivery of coal in Ottawa. You deliver coal to domestic consumers?—A. Yes.

Q. What are your rates for delivering coal in Ottawa?—A. Egg coal \$16.25, and Stove and Chestnut \$16.75.

Q. How much of that is charged up to distribution, cartage or haulage?—A. Our handling charges amount to about three dollars a ton.

Q. Is that an average, or is that a general rate?—A. That is about the average.

Q. Three dollars a ton?—A. That, as I say, included shortage and degradation.

Q. How much of that would you charge up to hauling alone?—A. About \$1.10.

Q. Would that be general, in any part of the city?—A. That is our average; that would be average over the year.

ADDENDA

1. Extracts from Letters from Consumers of Alberta Coal.
2. Statements showing the Distribution of Alberta Coal (10,000 tons in 1923).
3. Places in Ontario to which Alberta Coal was shipped. (Submitted by Mr. J. A. Ellis).

EXTRACTS FROM LETTERS FROM CONSUMERS OF ALBERTA COAL

(Submitted by Mr. J. A. Ellis)

W. L. Donnelly, Ottawa

Had previously obtained Alberta coal. Both this coal and that received through Government was quite satisfactory. If reduced freight rate continued will purchase more.

Darling Lumber Co., Toronto

Got 8 cars which were sold to 175 persons. It was received on a Thursday, and was all gone by Saturday. We could get rid of another 8 cars if we had them. We are overcome with orders, but cannot give our customers any definite answer as to being able to supply on account of freight rates. We are not handling any other coal until assured definitely that we cannot have Alberta coal. It burns great. It will burn either in stove, fireplace, furnace, grate, cook stove, and heater. It is really admirable in quality. There is very little ash, and what there is can be compared with hardwood ash.

R. Martyn—Ripley

Gave good satisfaction.

S. Halliday—Orono

The coal is being unloaded to-day, and people are much pleased with the appearance of the coal.

J. B. Jackson, Ltd.—Simcoe

Gave good satisfaction.

Williamson Bros.—Aurora

We thank you for your efforts to secure Alberta coal to this district. Our effort is to spread this out to as many homes as possible to get their idea as to its value. We have heard no complaint yet. All are anxious to buy it, and we only hope that in the near future the price may be fixed so that we can handle it.

Harvey Ellis—Listowel

I have had 3 cars of coal which has been giving splendid satisfaction.

F. W. Keating—Fergus

It was excellent coal.

Gowdy Bros.—Guelph

This coal has given the very best of satisfaction to our customers. Hope at a later date we may be able to purchase another consignment at a reasonable freight rate.

Lewis & Co.—Barrie

We are well pleased with the coal.

E. Ward—Clinton

If you do put the \$7 freight rate on let me know as people want the coal.

F. A. Ackert—Ingersoll

Sorry that we are unable to receive more for we have met ready sale for it, and have not had a complaint. So if anything turns up that the freight rate is likely to be reduced would deem it a favour if you would advise us

Guelph Co-operative Association—Guelph

Those who have bought it, and are using it are more than satisfied with it.

Willson & Willmott—Milton

Should there be another allotment please do not forget our other 3 cars.

G. N. Patterson—Port Hope

Coal has given utmost satisfaction.

A. W. Annis & Co.—Alliston

It is giving the best satisfaction.

Brydges Coal Co.—Guelph

The coal has given good satisfaction so far.

Graham Bros.—Kincardine

We have handled one car, and our customers are satisfied to pay more.

Misner Manufacturing Co.—Goderich

We have had one car of Alperta coal. We are unloading it at present, and like it very much.

Manager Bank of Nova Scotia—Cochrane

If the \$7 rate holds effective for some further time it is likely that a considerable quantity of Alberta coal will be brought in this district.

J. P. Pegg—Norwich

Got 5 cars. Has formed an association known as The Norwich Municipal Coal Association to bring in and dispose of Alberta coal. Expresses great thanks to Prime Minister and Government for what they have done with regard to Alberta coal.

Ed. Cooney—Peterborough

Says that citizens are demanding quantities of Alberta coal totalling up to approximately 5,000 tons.

W. Carmichael—Collingwood

Have proved it very satisfactory. I only wish I could get a few more cars above my allotment as I could easily sell it. Our people here need a good trial of it, and seem to favour it.

Hughes & Co.—Belleville

We like the cars received, and want to get more. The people here want a chance to try out this coal, and we did not have enough in the two cars already handled although those who had the coal are delighted with it.

A. Chambers—Arthur

It has given entire satisfaction, and would very much like to get five cars more, and cut out the American brother.

D. M. Jermyn—Warton

I trust the Government will arrange to have a larger quantity shipped during the months of May and June while the railway cars will not be in such demand as they are at present.

Sudbury Coal & Wood Co., Sudbury

Our customers report this coal to be entirely satisfactory. We have disposed of all we received, and have had no complaints. We are continually receiving requests for more of it.

Laberge Lumber Co.—Sudbury

We have disposed of ten cars of Alberta coal, and have not received a single complaint. This coal was used in small Quebec heaters to large block furnaces, and has given entire satisfaction in all cases. As long as we can maintain a difference of about \$4 between Alberta coal, and American anthracite I feel sure that at least 75 per cent of the people would prefer the Alberta coal.

Empire Coal & Lumber Co.—Sudbury

We have disposed of our stock of eleven car lots, and are daily receiving inquiries for more. All our customers have been very well pleased with this coal. It has taken the place of wood or coal for kitchen use, and gives excellent results when used in the furnace. A number of our patrons have expressed the opinion that it is equal to anthracite. Cleaner to handle, practically no waste, cinders, etc. In this connection it would be well to note that one size of this coal answers for both range and furnace use—chestnut, stove and egg sizes with separate bins are not required. In our opinion if Alberta coal can be brought in at the present or near the present price the American coal will be practically driven off the market in Sudbury in a short time—taking the difference in price into consideration.

STATEMENT SHOWING THE DISTRIBUTION OF ALBERTA COAL
10,000 Tons in 1923

	Cars		Cars
Arthur.....	3	Kincardine.....	3
Aurora.....	6	King.....	1
Arkwood.....	1	Kitchener.....	2
Ailsa Craig.....	1	London.....	16
Alliston.....	2	Listowel.....	3
Atwood.....	1	Lucknow.....	2
Burgessville.....	2	Lucan.....	1
Burford.....	1	Mildmay.....	1
Blackwell.....	1	Milton.....	4
Bracebridge.....	2	Mitchell.....	1
Belgrave.....	1	Newmarket.....	6
Blyth.....	1	Norwich.....	9
Belleville.....	4	Northwood.....	1
Beaverton.....	1	Owen Sound.....	7
Beachville.....	1	Ottawa.....	11
Brighton.....	2	Orillia.....	8
Barrie.....	5	Orono.....	1
Bronte.....	1	Oshawa.....	4
Capreol.....	2	Picton.....	1
Camlachie.....	1	Port Perry.....	1
Cochrane.....	1	Port Hope.....	4
Clinton.....	2	Port Dover.....	2
Cobourg.....	5	Paisley.....	1
Colborne.....	7	Peterborough.....	11
Collingwood.....	7	Preston.....	2
Cornwall.....	1	Palmerston.....	2
Concord.....	1	Rockwood.....	1
Delhi.....	3	Ripley.....	2
Exeter.....	4	Stratford.....	10
Elmwood.....	1	Strathroy.....	3
Ekfrid.....	1	Seaforth.....	1
Fergus.....	5	St. Catharines.....	9
Fordwich.....	1	St. Mary's.....	5
Galt.....	3	Simcoe.....	1
Glencoe.....	1	Sudbury.....	22
Grand Valley.....	1	Thedford.....	1
Guelph.....	21	Toronto.....	11
Goderich.....	1	Tillsonburg.....	1
Hawtrey.....	1	Waterloo.....	1
Hamilton.....	16	Woodville.....	1
Harriston.....	1	Warton.....	2
Hensall.....	2		
Ingersoll.....	9		310

PLACES IN WHICH ALBERTA COAL HAS BEEN SHIPPED

Destination	Cars	Destination	Cars	Destination	Cars	Destination	Cars
Acton.....	2	Creemore.....	1	Listowel.....	15	Richmond.....	2
Ailsa Craig.....	2	Deseronto.....	3	Locust Hill.....	1	Richmond Hill....	9
Alliston.....	7	Dorchester.....	2	London.....	39	Ridgetown.....	1
Alton.....	1	Downsview.....	1	Longwood.....	1	Ridgeway.....	1
Alvinston.....	1	Drayton.....	8	Lucan.....	3	Ripley.....	5
Arnprior.....	4	Drumbo.....	1	Lucknow.....	10	Rockwood.....	4
Arthur.....	7	Dundalk.....	2	Lynden.....	1	Sarnia.....	1
Atwood.....	4	Dundas.....	1	Malton.....	1	Schomberg.....	1
Aurora.....	16	Durham.....	1	Maple.....	4	Seaforth.....	21
Aylmer.....	3	Eastwood.....	2	Marden.....	1	Sebringville.....	1
Ayr.....	1	Elmira.....	4	Megaw.....	2	Shelburne.....	2
Baden.....	2	Elmvale.....	1	Meaford.....	7	Smith's Falls.....	8
Barrie.....	15	Elmwood.....	1	Midland.....	1	Smithfield.....	1
Beachville.....	4	Elora.....	3	Mildmay.....	1	Solina.....	1
Beamsville.....	4	Embrun.....	1	Millbrook.....	1	Southampton.....	5
Beaverton.....	1	Erin.....	2	Mille Roches.....	1	Springford.....	1
Beeton.....	3	Ernesttown.....	1	Milton.....	11	Stayner.....	3
Belleville.....	12	Exeter.....	13	Milverton.....	4	St. Catharines.....	12
Blackwell.....	2	Fenelon Falls.....	1	Mitchell.....	8	St. George.....	2
Bloomfield.....	1	Fergus.....	10	Moorefield.....	1	St. Mary's.....	14
Blyth.....	2	Finch.....	2	Mosborough.....	1	Stoney Creek.....	2
Bowmanville.....	13	Flamboro.....	1	Mount Elgin.....	1	Stouffville.....	4
Bracebridge.....	1	Fonthill.....	3	Mount Forest.....	6	Stratford.....	40
Bradford.....	3	Fordwich.....	2	Myrtle.....	1	Strathroy.....	14
Brampton.....	14	Forest.....	5	Napanee.....	1	St. Thomas.....	6
Brantford.....	23	Galt.....	23	Newcastle.....	3	Sudbury.....	5
Breslau.....	1	Gananoque.....	5	New Hamburg.....	3	Tara.....	2
Bridgeburg.....	5	Georgetown.....	2	New Liskeard.....	1	Tavistock.....	6
Bright.....	2	Glencoe.....	2	Newmarket.....	15	Thamesford.....	1
Bridgeport.....	1	Goderich.....	8	Niagara Falls.....	6	Thamesville.....	1
Brockville.....	1	Gormley.....	1	North Bay.....	9	Thornbury.....	3
Bronte.....	3	Gorrie.....	1	North Toronto.....	1	Thornedale.....	3
Brooklin.....	3	Grand Valley.....	3	Northwood.....	1	Thornlea.....	1
Brucefield.....	4	Grassies.....	1	Norwich.....	3	Thornton.....	1
Brussels.....	6	Grimsby.....	2	Nottawa.....	2	Thorold.....	1
Burford.....	5	Guelph.....	34	Oakville.....	8	Tillsonburg.....	8
Burgessville.....	1	Hagersville.....	2	Omeme.....	1	Toronto.....	276
Burlington.....	3	Hamilton.....	40	Orangeville.....	2	Tottenham.....	1
Caledon.....	2	Hanover.....	3	Orillia.....	11	Trenton.....	6
Cambray.....	1	Harriston.....	7	Orono.....	2	Tweed.....	1
Campbellcroft.....	1	Harrow.....	5	Osgoode.....	1	Uxbridge.....	4
Campbellford.....	1	Havelock.....	1	Oshawa.....	7	Vineland Stan.....	2
Campbellville.....	1	Hensall.....	4	Ottawa.....	16	Vinemount.....	1
Cannington.....	3	Hespeler.....	3	Otterville.....	5	Walkerton.....	1
Capreol.....	2	Hillsburg.....	2	Owen Sound.....	7	Wanstead.....	1
Cardinal.....	2	Hyde Park Jct.....	1	Paisley.....	2	Waterford.....	2
Cayuga.....	1	Ilderton.....	2	Palmerston.....	8	Waterloo.....	7
Centralia.....	2	Ingersoll.....	15	Paris.....	5	Watford.....	10
Chatham.....	2	Inglewood.....	2	Parkhill.....	4	Welland.....	3
Chatsworth.....	1	Innerkip.....	1	Parry Sound.....	1	Wellington.....	3
Cheltenham.....	2	Inwood.....	1	Pembroke.....	3	Weston.....	10
Chesley.....	5	Iroquois.....	1	Peterborough.....	52	West Toronto.....	5
Clandeboye.....	1	Islington.....	2	Petersburg.....	5	Whitby.....	2
Claremont.....	1	Jarvis.....	1	Pickering.....	3	Wingham.....	1
Clarkson.....	1	Kemptville.....	2	Picton.....	4	Woodbridge.....	3
Clifford.....	2	Keswick.....	2	Port Credit.....	3	Woodstock.....	28
Clinton.....	9	Kincardine.....	6	Port Dover.....	2	Woodville.....	2
Cobourg.....	6	King.....	1	Port Elgin.....	6		
Colborne.....	5	Kingston.....	5	Port Hope.....	19		1,542
Coldwater.....	2	Kitchener.....	35	Port Perry.....	2		
Collingwood.....	12	Lambton Mills.....	2	Port Rowan.....	1		
Concord.....	3	Lansdowne.....	1	Prescott.....	6		
Consecon.....	1	Lansing.....	1	Preston.....	23		
Cookstown.....	3	Leaside.....	4	Princeton.....	1		
Copetown.....	1	Lefroy.....	3	Queensville.....	2		
Cornwall.....	24	Lindsay.....	4	Ratho.....	1		
Craigville.....	2	Linwood.....	3	Renfrew.....	2		

N.B.—A carload averages a fraction over 32 tons. Total carloads, 1,542, making 50,000 tons. Summary—
50,000 tons, shipped in 1,542 cars, to 258 places in Ontario.

Committee adjourned until 3.00 p.m. Tuesday, June 15th, 1926.

COMMITTEE ROOM 436,

TUESDAY, June 15, 1926.

Sir THOMAS TAIT (President, Minto Coal Company): I thank the Committee for so kindly giving me this opportunity to say a few words in reference to the so-called subvention, granted by the Dominion, in 1924, as an assistance in the marketing of Canadian coal at places where, owing to the competition of coal from the United States, it would not otherwise have been possible to dispose of Canadian coal profitably.

This subvention was in the form of a grant of one-half cent per ton of coal per mile of railway, with a maximum of fifty cents per ton, and was to be applied in the reduction of railway charges on coal from Canadian mines to places where, at the current railway rates, it would have been impossible to market the Canadian coal profitably in competition with coal from the United States.

The sum of \$200,000 was appropriated in 1924 for this subvention, but only \$15,000 of this amount was used. The reason for such a small part of the vote being used was that the subvention was made available too late in 1924 to be taken advantage of for the contracts of that coal year; and the vote lapsed before it could be used for the contracts of the following coal year. I may say, for the information of the Committee, that the coal year, as it is called, covers the period from the 1st of April to the 31st of March, and many of the annual contracts for coal are made for this period.

The subvention was granted in 1924 because of an emergency which then existed owing to the low price and keen competition of coal from the United States. I respectfully submit that as great, if not a greater, emergency now exists, and that the competition with coal from the United States is as keen, if not more keen, than it was in 1924.

The maximum allowance under the subvention granted in 1924 was fifty cents per ton. This was not found to be sufficient and would not, I think, be sufficient at the present time to permit of any substantial tonnage of coal from the Maritime Provinces being sold in Eastern Ontario in competition with coal from the United States. I am of the opinion that the maximum allowance per ton should be increased to \$1.

If the subvention is now resumed, I would urge that it be made available until this Committee makes its report, and Parliament has taken action thereon.

Hundreds of thousands of tons of bituminous slack coal continue to be imported from the United States, notwithstanding the increase in duty made last year from fourteen cents to fifty cents per ton. The additional customs revenue derived by the Dominion from this source would far more than offset the amount required for the resumption of the subvention with an increase in the maximum allowance per ton.

I may point out to the Committee that the renewal of this subvention, especially if the maximum allowance be increased to one dollar per ton, would assist in marketing Saskatchewan and Alberta coal in Winnipeg and Manitoba. And further that the increased movement of coal which would result would give an increased revenue to Canadian railways. One contract alone which I have in mind and which might, I think, be filled by Canadian coal if the request for this subvention be acceded to, would give between thirty and forty thousand dollars increase in revenue to the Canadian National Railways, in the prosperity of which we are all interested, during the next year.

It may be that the report of this Committee will not be completed before Parliament prorogues and even if it is now made available for Parliament there is some doubt, I believe, as to whether Parliament will be able to take action on it at the present session. If not, there will be a long delay in assisting the Canadian coal industry. In view of this I suggest and urge on the Committee

[Sir Thomas Tait.]

that it might make an interim report at once recommending the renewal of the subvention and an increase in the maximum payment to one dollar per ton; this as an emergency measure. This recommendation should, I suggest, be made at once, if possible to-day, so that provision for the necessary funds may be made in the supplementary estimates.

Generally speaking, the coal industry of the Maritime Provinces is in a precarious position and this is especially true of the New Brunswick coal mines, from which all the coal must be shipped entirely by rail. Some immediate and substantial aid is necessary to keep the coal industry of the Maritime Provinces, and especially that of New Brunswick alive.

It may be likened to a very sick man who requires a major operation to preserve his life but for whom, pending such major operation, immediate measures are required to prevent his passing away in the meantime.

THOS. TAIT.

COMMITTEE ROOM 436,
HOUSE OF COMMONS,
WEDNESDAY, June 16, 1926.

The Special Committee appointed to investigate our present sources of supply of anthracite and bituminous coal, the dependability of such sources and other matters in relation thereto, met at 2.30 P.M., the Chairman, Mr. Lapierre, presiding.

The CHAIRMAN: Order. I will ask the Clerk of the Committee to read the minutes of our last meeting.

Minutes read.

Moved by Mr. Armstrong, seconded by Mr. Flemming, that the minutes be adopted as read.

Motion agreed to.

Discussion followed.

GEORGE B. BURCHELL called and sworn.

By the Chairman:

Q. Mr. Burchell, you are familiar with the coal situation of Canada?—

A. Yes sir, to a certain extent.

Q. In what section of Canada?—A. Nova Scotia—Maritime Provinces.

Q. What is your position in the Maritime Provinces?—A. Managing Director of a coal operating company.

Q. What is the name of your company?—A. The Bras d'Or Coal Company.

Q. Where do you dispose of most of your coal?—A. About one-third in Nova Scotia, and one-third in New Brunswick—

Q. Then you do not ship any of your coal outside of the Maritime Provinces?—A. Very little. There is some bunker coal.

Q. Why do you not ship coal outside of the Maritime Provinces?—A. Well, the only market from Cape Breton would be the St. Lawrence. In order to touch the St. Lawrence you have to be an operator on a large scale, so you can use big bottoms. The small companies cannot give a large steamer despatch, so, therefore, they cannot touch the St. Lawrence.

Q. Is there no way in which you can ship your coal out of your mines except through certain channels?—A. That is all.

[Mr. Geo. B. Burchell.]

Q. What is the output of your mine, Mr. Burchell?—A. Last year the output was 80,000 tons. We are developed and equipped for 150,000 tons. In 1922, our output was 115,000 tons. It is gradually going down, owing to market conditions.

Q. What is the greatest obstacle to the enlargement of your production?—A. No market.

Q. What quality of coal do you produce there, Mr. Burchell?—A. Well, it is good domestic and industrial coal—good railway coal.

Q. Would that coal be suitable for coking purposes?—A. Yes, it is good coking coal.

Q. You have here a report you would like to submit to the committee?—A. Yes, Mr. Chairman.

Q. Will you make your statement now as to the possibilities of your coal mines, and the reason why you have no market?—A. Just the information I have given.

Q. You have made a report here before?—A. It is mostly freight rates.

Mr. BURY: Perhaps you can tell us the cost of coal at the pit-mouth.

The CHAIRMAN: That will be taken up later.

WITNESS: Take the shipment for last year; it amounts to 23,000 tons to the Canadian National Railways. That is only used locally, in that division. 25,000 tons to Nova Scotia, mostly for domestic use. 18,000 tons to New Brunswick, that is used in the pulp and paper mills. 1,300 tons to Prince Edward Island. 5,000 tons of bunker coal.

By the Chairman:

Q. Where does the bunker coal go?—A. We bunker mostly at North Sydney, and some on steamers used in the Government service.

Mr. CANTLEY: Merely coastal boats?

WITNESS: Yes, and the ice-breaker.

By the Chairman:

Q. None of your coal is sold to consumers?—A. No.

Mr. CANTLEY: You said the smaller operators were not able to get into the Montreal market due to their inability to load large steamers, and for other reasons—with which I entirely agree. Suppose you were given the same mileage rate as was in force for some period of time in connection with a certain amount of tonnage of Alberta coal to Toronto, in other words, a rate of $3\frac{1}{2}$ mills, would you be able to get into the Montreal and Quebec markets generally, including the townships, during the winter months?—A. I do not think we could.

Q. That would give you a rate of \$3 per ton, in that vicinity?—A. I do not think we could.

By the Chairman:

Q. What is the cost of your coal at the pit-mouth?—A. About \$4.20, depending on the output.

Q. The larger the output, the more would the cost be reduced?—A. Oh, yes, very much.

Q. Upon what scale or ratio, about?—A. If we were working to capacity, we could probably reduce the cost by 50 cents per ton.

By Mr. Bury:

Q. That would bring it to what?—A. \$3.70.

Mr. CANTLEY: In answer to my question, you said you do not think you could get into the Montreal, or Quebec market?—A. With a rail rate of \$3.20, we cannot compete with a water rate of 80 cents.

Q. I am referring to winter?—A. Yes, if we could get into the Quebec market, and into the New Brunswick market, a reduced rate to New Brunswick would help us, yes.

By the Chairman:

Q. How much of a reduction?—A. Any reduction would help the business. Business we are now getting we could get at the lower rate.

By Mr. Bury:

Q. Plus the margin that is keeping you out of that market now?—A. Of course, every reduction would help us.

Q. The point is the reduction must be enough to help you get into that market?—A. I would not like to give you the amount of reduction required, off-hand.

The CHAIRMAN: If you have not the exact figures, you had better not answer that question.

By Mr. Armstrong:

Q. Is there any foreign coal coming into that market, to interfere with you?—A. Yes, American coal is coming to Halifax at the present time.

Q. To what extent?—A. Over 5,000 tons of domestic coal were brought in this year.

By the Chairman:

Q. That is anthracite coal?—A. No, bituminous coal.

By Mr. Armstrong:

Q. For domestic purposes?—A. For domestic purposes.

By the Chairman:

Q. What part of the United States did that coal come from?—A. It came from Norfolk.

Q. West Virginia coal?—A. Yes.

Q. Pocahontas?—A. Some of it.

By Mr. Armstrong:

Q. What does it cost delivered there?—A. I think it is costing under \$6.

By the Chairman:

Q. Delivered to the consumer?—A. No, delivered to the dealer.

By Mr. Armstrong:

Q. What is the rate from your mine to Halifax?—A. \$2. From Norfolk to Halifax the rate is 90 cents.

Q. Your coal is equally as good?—A. Yes, as good as some of the American coal that is coming in.

By the Chairman:

Q. Is your coal as good as Pocahontas coal?—A. No, I would not say that.

By Mr. Howden:

Q. Your coal is perfectly good domestic coal?—A. Yes.

Q. Do you think you can produce as fine a coal as can be produced in Canada, or the bituminous type?—A. Yes, the Nova Scotia coal is as good, for domestic purpose, as any coal produced in Canada.

By Mr. Armstrong:

Q. If it had not been for the 5,000 tons of American coal that came in, you could have had that market, and reduced the price?—A. Yes.

By the Chairman:

Q. Why did not you do it?—A. We did not get the business.

By Mr. Bury:

Q. Would 5,000 tons extra have much effect on your price?—A. Yes, it would have considerable effect.

By Mr. Macdonald:

Q. Only one shipment came?—A. No, there were several shipments.

By Mr. Bury:

Q. You say the total amount of American coal that came in was 5,000 tons?—A. That is for domestic purposes only, in 1926.

Q. 5,000 tons came in from 1st January, 1926, of American coal, for domestic purposes. Suppose there were an increase of 10,000 tons, would that have any effect upon the price?—A. Yes, considerable.

Q. How much?—A. I would say, 20 cents.

Q. You say if you got an additional market for 10,000 tons it would make a difference of 20 cents a ton at the pit-mouth?—A. That is at Halifax alone.

Q. Have you any idea of the total amount of American domestic coal that comes into Nova Scotia, at points where you could meet that competition under favourable circumstances?

The CHAIRMAN: Make that "normal."

By Mr. Bury:

Q. Yes, "normal."—A. You mean anthracite coal?

Q. Take domestic fuel, first. Have you any idea of the amount of American coal that comes into Nova Scotia, which fill the markets which you think you could fill under normal conditions?—A. Well, that question is a little hard for me to answer.

The CHAIRMAN: If you cannot answer direct, do not answer the question.

WITNESS: Speaking of American anthracite coal, there is a lot of anthracite coal that could be replaced by the local coal.

The CHAIRMAN: I mean anthracite, and any bituminous coal that could be used for domestic purposes.

Mr. FLEMMING: The witness has not been referring to anthracite coal.

WITNESS: When speaking of domestic coal, that covers anthracite too. I imagine about between 50,000 and 60,000 tons.

By Mr. Howden:

Q. Mostly anthracite?—A. Yes.

Q. That is on account of the preference for anthracite coal?—A. Yes, some; principally in Halifax where they are used to using anthracite coal. They have not come down to using bituminous coal.

By Mr. Bury:

Q. When you speak of bituminous coal as being used for domestic purposes; is it steam coal, or a different class of bituminous coal?—A. It is good steam coal, and they are using it in competition with the maritime coal this year. That is something new.

Q. They are using steam coal for domestic purposes?—A. Yes, that bituminous coal, the same as steam coal.

Mr. CANTLEY: Anthracite coal, throughout Nova Scotia, is being supplanted by coke, every day?

WITNESS: Yes.

By the Chairman:

Q. Is coke meeting the competition?—A. I think coke is selling at Halifax for \$11.20.

Q. As compared with imported anthracite coal?—A. The anthracite coal would be perhaps \$3 over that.

Q. I should like to ask one question as to what proportion of coal that is used in the paper mills for drying purposes coming in from the maritime provinces?—A. I cannot tell you.

By Mr. Howden:

Q. Mr. Burchell, in your opinion, is there any far off hope that you will be able to place fuel from your vicinity for domestic purposes, along the North shore of Lake Erie, or Lake Ontario to compete with coal that is now being moved across those lakes from the American side?—A. I do not see why it cannot be done, especially when we consider that there is an attempt to move coal from Alberta to Ontario.

Mr. HOWDEN: Leave aside the matter of Alberta coal, altogether, just now—

The CHAIRMAN: Make a direct statement.

WITNESS: Well, with proper shipping facilities in lake-sized boats, we can take coal from Sydney to the Lakes and get a return cargo of grain to North Sydney; if a grain elevator is built at North Sydney; and could supply grain to boats crossing the Atlantic. I think that could be worked out.

By Mr. Howden:

Q. You would have to meet an approximate price of \$5 a ton at Hamilton and those places?—A. \$5 is a little low, is it not?

The CHAIRMAN: \$5.75.

By Mr. Howden:

Q. Perhaps, \$5.75?—A. I think, probably.

Q. And your coal starts off at \$4 and you have got to get it all the way there?—A. I did not mean to mention my own coal; there may be lower costs of production than mine. I think Nova Scotia coal could compete under those circumstances.

By Mr. Bury:

Q. But your particular coal could not?—A. It would depend on the output. If we could get an output high enough, we should get the output price down to compete with those prices.

By the Chairman:

Q. Could you give us an approximate figure of the output that would be necessary to meet those conditions?—A. With an order for half a million tons I think we would be able to get the cost down to compete with that.

Q. You have an organization able to produce that much?—A. Not at the present time, but by the time the transportation could be arranged we probably would have.

Q. It would depend very much on the transportation problem?—A. Yes.

By Mr. Howden:

Q. We had testimony before this Committee that it would take at least \$2.75 to move that coal from Sydney or thereabouts.—A. With the return grain cargo?

[Mr. George B. Burchell.]

Mr. HOWDEN: Well, I do not know about the return grain cargo, but that is another consideration.

The CHAIRMAN: I do not believe that this discussion can get us very far along the line we wish to get information.

By Mr. Flemming:

Q. There is only one thing I would like to ask. I would like to be a little more definite about the amount of reduction that might be made in the event of increasing the production, the amount of reduced cost. Now, you told us your production last year was about 80,000 tons?—A. Yes, sir.

Q. And your cost was in the vicinity of \$4?—A. Yes.

Q. Now, supposing instead of producing 80,000 tons you produce 160,000. how much would your cost be reduced, in your judgment?—A. I think we could reduce that perhaps forty cents.

By the Chairman:

Q. What could you reduce it, just say how much it could be reduced?—

A. Well, forty cents.

The CHAIRMAN: Just double that.

By Mr. Flemming:

Q. Supposing we doubled it again, made it 320,000, what would be the reduction?—A. Well, it would not be proportionate; it might get another ten cents.

Q. This large production would mean a reduced price of probably fifty cents a ton, is that right?—A. Yes.

By Mr. Bury:

Q. Which would bring it down, with that mass production, to about \$3.50 at the pit-mouth?—A. Yes.

By the Chairman:

Q. Will you make this statement: that you can produce coal in your mines with a certain production at \$3.50 a ton?—A. Yes.

Q. With a production of how many thousand tons?—A. Say 300,000 tons.

The CHAIRMAN: Well, that is a direct statement.

By Mr. Armstrong:

Q. There is no limit to the supply available?—A. No, lots of coal there. I am putting in a list of the freight rates that apply to us.

The CHAIRMAN: Any other questions gentlemen? You are excused, Mr. Burchell.

Witness retired.

Hon. G. S. HARRINGTON, (Minister of Public Works and Mines, Nova Scotia), called and sworn.

The WITNESS: I might say, just as a preliminary word to the Committee, that I am not a very deep technician on the coal industry, but I have here with me my deputy.

By the Chairman:

Q. Will you name him, please?—A. Mr. Norman McKenzie. And I also have with me, in case the matter of transportation interests you, an expert engaged by the Province of Nova Scotia, among other provinces.

Q. Will you name him, please?—A. His name is Mr. Cornell. Then, I see in the distance our good friend Doctor Camsell who is always ready to give us any technical assistance.

NORMAN MCKENZIE (Deputy Minister of Public Works and Mines, Nova Scotia, called and sworn.

By the Chairman:

Q. Have you prepared a statement? (Hon. Mr. Harrington answering).—A. No, I have prepared no statement. I was not aware of the line on which you were proceeding and I think possibly you may wish to ask me questions.

Mr. BURY: If Mr. Harrington knows our problem perhaps he could make his statement right now.

By the Chairman:

Q. Before we go any further, Mr. Harrington, we invited the Prime Minister of your province to be present before this Committee and he suggested that you should be invited to come as you had in your possession information that we are very anxious to obtain. In view of that information could you not give us a fair outline of the coal situation as it is in your own Province?—A. Yes, I think probably I can, Mr. Chairman. I would prefer to look at it, first of all, from the point of view of the Dominion rather than from the Province's. It appears to me essential that in Canada we make up our mind at the commencement whether or not we can adopt something in the nature of a national fuel policy, the aim and object of which would be to produce within Canada the coal that we consume in Canada. If we can adopt a policy of that kind I might possibly make some concrete suggestions at the present time that would assist towards it. You understand that the conditions will vary from time to time and such a policy would essentially have to be elastic and include conditions from time to time to meet varying circumstances. The situation roughly in the Dominion, so far as our coal production is concerned, to the best of my recollection, is that we consume approximately thirty million tons of coal annually in Canada, of which last year Canada produced only some thirteen million tons, or a little over seventeen million tons of imported coal. Now, in the Province of Nova Scotia our coal trade was built up chiefly on a system of protection to the coal industry. The duties that were imposed in ratio to the cost of producing coal in Nova Scotia at that time were adequate to allow Nova Scotia coal to expand and absorb the market practically as readily as the organization could be made in the mines to produce it.

Q. In proportion to the protection given?—A. In proportion to the protection given. Now, owing to circumstances, general economic circumstances but probably accentuated largely by the war the prices of these commodities have, in the retail market, advanced very materially while at the same time the producing companies have been under certain disadvantages regarding the costs of production.

Q. In what way?—A. In Cape Breton, primarily on that latter point, our mines were very largely denuded of expert coal producers by enlistments, voluntary enlistments during the war. Unfortunately, a large percentage of these men were killed.

Q. They did not return?—A. They did not return, and many that did return were unfit for further service in the pit. They enlisted so freely that eventually, I believe, restrictions were placed on their enlisting.

Q. Do you attribute to these circumstances the higher cost of production?—A. That is one item of it.

[Hon. G. S. Harrington.]

By Mr. Bury:

Q. You are giving us now your outline of the factors that enter into the higher cost of production?—A. Yes. I first stated that there were higher costs of production and I was asked particulars of them and I mentioned that as one. Of course, there is the obvious one in all coal producing, the farther away you get from the pit bottom the higher your costs run. A great deal of our coal in Nova Scotia is submarine mined coal and naturally the costs mount to a certain extent.

By the Chairman:

Q. May I ask one question? These conditions would be aggravated the farther you get away?—A. In many particulars they would be. The net result of what I am saying is that with the Customs duty imposed on imported coal our coals in Nova Scotia to-day have lost their ratio of protection under which these industries were built up.

Q. That is by varying conditions?—A. By varying conditions. I think that a very large part of it is a perfectly natural process.

Q. Evolutionary?—A. Yes, it is inevitable. The cost of coal fifteen years ago at the pit-mouth, the average cost in Nova Scotia, was not over \$1.50.

Q. What year are you quoting now?—A. I am quoting fifteen years ago; I am not very specific about it. While to-day, I have no hesitation in saying that the average cost of production of coal at the pit-mouth in Nova Scotia is over \$3.

Q. Over \$3?—A. Yes.

By Mr. Bury:

Q. Have you given us all the factors making that difference?—A. I do not think I have.

Q. Can you give us all the factors?—A. I have not aligned them in my mind.

Q. One is the fact that your expert miners were killed off during the war?—A. Yes.

Q. Another is the fact that your mines have to be pushed farther and farther and the result is the cost that is added to the cost of production?—A. Yes.

Q. Anything else?—A. Well, there are doubtless several others, but unfortunately I have not attempted to align them in my mind. I might mention one other just before I leave it; there has been some increase in wages.

Q. Any alteration in the working day?—A. Yes, it has been reduced from ten hours to eight hours, but I do not think that has an effect—

The CHAIRMAN: That would be the increase in wages?

The WITNESS: I do not think that has affected the ton per man per diem production.

By Mr. Bury:

Q. Do you know if there is any change in the production, in the output of Nova Scotia mines from the fifteen years ago to now?

The CHAIRMAN: Per man?

Mr. BURY: Per man.

The WITNESS: I would say that the production per man to-day is greater than it was at that time.

By Mr. Bury:

Q. Greater?—A. Yes.

Q. That ought to operate in the other sense?—A. Quite so.

Q. Making the coal cheaper?—A. Quite so, it would have a tendency that way. Everything I have mentioned probably has this reverse picture and the only way to arrive at a definite conclusion is to strike a complete balance, which I am certainly not prepared to give you. I am just mentioning some of the higher points.

Q. I am just taking the coal at the pit-mouth.—A. Yes. The cost of materials is another thing. The cost of materials has gone up, and then that accumulates again. The farther you go into the pit, the longer roads have to be made and greater pipe has to be laid.

By the Chairman:

Q. And your increased transportation, I mean the transportation and all your materials that enter into that?—A. The cost of materials has risen, so that, as I say, the net result of these circumstances to which I refer is that the element of protection of the duty on the imported coals that compete with our Nova Scotia coal has lost its ratio entirely. I was saying that probably the cost fifteen years ago would not be more than \$1.50 at the pit-mouth, while to-day I am sure it is over \$3 average cost. The duty is slightly increased—

By Mr. Bury:

Q. That is specific duty?—A. Yes. I believe that the great factor to assist in the coal production in Nova Scotia would be to have it placed on ad valorem duty basis instead of specific duty.

By the Chairman:

Q. In other words, you maintain that a higher duty is what you require for larger production?—A. I think that is one element.

By Mr. Bury:

Q. Due to the fact that the duty is now lower owing to the other factor being lower?—A. It is a process of evolution with one factor standing still. I might say, Mr. Chairman, that this matter really is taken out of the realms of party politics in Nova Scotia.

The CHAIRMAN: There are no politics in this Committee, sir.

The WITNESS: But for some years it has been entirely removed from the sphere of party politics in Nova Scotia. In furtherance of that statement, in the late fall or late winter of 1924, or January, 1925, a delegation from the Maritimes came up here. Possibly some of you gentlemen were here at the time. This delegation proposed increased duty amongst other things, to the then Government. The delegation was headed by the then Premier of the Province of Nova Scotia who was head of the Liberal administration. As a matter of fact, his brief on that subject is very lucid and very good. If the Committee has not got it, I would suggest that it be made part of the record.

The CHAIRMAN: I cannot accept that as part of the record.

The WITNESS: Very well; possibly I could read some from it?

The CHAIRMAN: You may quote from it.

The WITNESS: I will just refer to the point of duties I was on.

By Mr. Flemming:

Q. That is as relating to coal?—A. As relating to coal, I am speaking exclusively of coal at the present time. (Reads):

History of the Coal Duty

It should be noted that the Nova Scotia mines have always had to compete with the product of United States mines and that the successive Governments of Canada of whatever party have given consideration to

this fact in framing their tariff provisions. In 1879 the duty on all coal regardless of size or quality was 50 cents per ton, but a year or two later the rate on bituminous coal was increased to 60 cents per ton. In 1887 anthracite, which is not produced in quantity in Canada and which is essentially a house coal, was put on the free list. In 1897 bituminous coal was rated 53 cents per ton, but on fine coal or dust the duty was 20 per cent ad valorem, but not to exceed 13 cents per ton. This indicates the relatively small value of this material at that time. The existing tariff which came in force in 1907-8 admits anthracite free; bituminous round and run-of-mine at 35 cents, 45 cents and 53 cents per ton under British Preference, Intermediate and General classifications respectively; while bituminous slack, which is defined as "such as will pass through a $\frac{3}{4}$ -inch screen," is rated ten cents, 12 cents and 14 cents under the same classifications.

The specific duty of 53 cents per net ton on the larger sizes of bituminous coal has remained unchanged since 1903, without any adjustment to an ad valorem basis that is necessary to restore the protection originally and continuously considered requisite.

In 1907 the value of 6,354,133 short tons, the output of Nova Scotia coal for that year, was calculated by the Dominion Bureau of Statistics to be \$12,764,999, or \$2 per ton. The value of the output of 1923, namely, 6,597,836 tons, was \$28,170,458 or \$4.12 per ton. Although the value per ton has more than doubled, the duty per ton remains the same.

It is evident, therefore, that the actual protection has been reduced by more than one-half.

In 1907 the import value of bituminous slack coal was 65 cents per ton and the duty was equal to 20 per cent ad valorem. In 1923 the value per ton was \$3.63 and in 1924 it was \$2.34 so that the duty in these years was only equal to 3.8 per cent and 5.9 per cent respectively.

The table below, which gives the average values per ton of bituminous coals imported in 1916 and in 1923 and 1924 and the percentage of duty collected, indicates clearly how the protective effect of the duty has decreased.

Round and Run-of-Mine			
Year	Value per ton imported	Duty per ton cents	Per cent of duty to value
1916..	\$1 14	53	46.5
1923..	3 92	53	13.5
1924..	2 98	53	17.7
Slack Coal			
		cents	
1916..	\$0 86	14	16.2
1923..	3 63	14	3.8
1924..	2 34	14	5.9

By Mr. Armstrong:

Q. What assistance, if any, would the Province be able to give?—A. Well, we considered that last year, and it was put very concretely before us in connection with the suggestion that the Province bear one-half of the excess of the present freight rate on Nova Scotia coal to Montreal over what would be an equal freight rate to that granted to Alberta coal to the East.

By Mr. Bury:

Q. That is the \$7 rate.—A. Yes, \$7 was the Alberta rate. The difference in these two figures was \$1.30. Our present rate was \$4.50 and the rate equal to the Alberta rate would have been \$3.20.

By the Chairman:

Q. To Montreal?—A. To Montreal. It was in reference to specific shipment of only 15,000 tons. Our contribution under that would have been approximately \$10,000.

By Mr. Bury:

Q. Who was to pay the other?—A. The Dominion Government offered to pay the other. 15,000 tons was very slight relief for the acute situation we were trying to meet at that time.

By the Chairman:

Q. It was an emergency?—A. It was an emergency. We came to the conclusion, first, that a contribution of \$10,000 from us direct toward relief measures would go far further than inducing employment that would simply produce 15,000 tons of coal. You see what I mean? We could make better use of our money. Secondly, we were afraid to face a situation under which our coal would be mined and pay us a royalty of 12½ cents per ton, while we were laying out 65 cents per ton, because our financial resources are very limited. There is no elasticity in our income in the province of Nova Scotia; it is pretty nearly fixed.

By Mr. Armstrong:

Q. Then you do not think the provincial government would undertake a proposition on a larger scale, on an estimate of that size?

The CHAIRMAN: On an increased production.

Mr. ARMSTRONG: That is what I mean.

The WITNESS: No, I don't think so.

By Mr. Bury:

Q. The bigger the production, the bigger the contribution?—A. All we need is a sufficiently large production to put up into liquidation.

By Mr. Armstrong:

Q. Would they cancel the government's at all?—A. They would hesitate to cancel the royalties altogether. You must remember it takes some money to operate the Department of Mines, and naturally a government would not want to see a department, that was a producing department, of its own natural resources, operating at a loss. As a matter of fact, it is doubtful if the government would be sustained if they did that.

Mr. BURY: May we ask Mr. Harrington to make his own suggestions, and let us know what the situation is, and the different elements entering into the problem. He may have thought out some solution.

The CHAIRMAN: Without asking for suggestions, might we ask Mr. Harrington to state under what conditions—

Mr. BURY: I was going to suggest he give us his own statement of how he thinks the problem might be grappled with.

The WITNESS: I will be glad to give you my views, but of course you will understand they are merely the views of a person closely associated with the industry, who sees the difficulties. I spoke at the commencement on the question of the national fuel policy that would tend toward producing in Canada the coal consumed in Canada. Well, we have invested in coal producing plants a very large sum of capital money.

By the Chairman:

Q. Approximately how much?—A. I would say approximately \$150,000,000 in coal producing plants.

Q. How many men do you employ?—A. In the coal mining industry alone?

[Hon. G. S. Harrington.]

By Mr. Flemming:

Q. Yes, that is the whole problem.—A. I would think when they are on full production, there would be somewhere about 15,000 men in the coal producing end alone, but it so closely allied with the steel manufacturing end in Nova Scotia—

Q. You mean in the whole province?—A. Yes, in the province. As I say, it is so closely allied to the steel manufacturing in the province, that they are almost inseparable.

The CHAIRMAN: We are not going into the steel proposition at all.

The WITNESS: No, but you are considering the consumption of coal, and when you get to the consumption of coal in Nova Scotia, you are getting right into the steel. I would say that in these two industries—which are inseparable, and which have been for the past few years—about 25,000 men are employed who, with their dependents, would probably constitute about one-quarter of the population of the province, who are dependent upon this industry.

By Mr. Flemming:

Q. Has any investigation been made into the rates charged on coal from points in Nova Scotia to, say, Montreal, as to how they compare?—A. Mr. Cornell will probably be able to tell you whether that has received consideration or not, but I doubt very much that it has.

By Mr. Bury:

Q. May we have the balance of your statement now?—A. Now we are faced not merely with the question of loss of ratio of duty that I mentioned a moment ago, but, roughly, the statement regarding the coal production in North America was that at the close of the war the United States was equipped in mines and plant and men, to produce practically twice their normal quantity. For the sake of argument—and these figures may not be quite accurate—let us say they were equipped to produce one billion tons of coal, while their normal quantity was five hundred million. You have seen the results of their attempting to shrink, on that policy, and we have suffered in Canada.

By the Chairman:

Q. Do you mean they tried to find a market in Canada for their excess coal?—A. Exactly, and we have coal which has been put into competition with our Canadian coal—

Q. Of equal quality?—A. Yes, coal that would compete equally in the markets. —that the American producers are sending to Canada to care for their surplus. I do not say they are actually sending it at a loss, but they are trimming it very fine.

Q. Answer this question, please: do they sell that coal cheaper in Canada than at home?—A. At the pit-mouth, I know of one instance where they sell it cheaper.

Q. Will you quote that, please?—A. The price, you mean?

Q. At the pit-mouth, yes.—A. I know of one instance—I am not at liberty to give you the name, but I daresay it would not be difficult to get it; I have not got it, to be frank—but I know of one instance—

Q. You know personally of this instance you are relating now?—A. I did not see the coal—

The CHAIRMAN: Then you had better not quote anything you do not know personally.

By Mr. Bury:

Q. What is the basis of your knowledge?—A. You will never get evidence—

Q. What is the basis of your knowledge?—A. An official who examined both shipments.

Q. An official of your government?—A. I would prefer not to answer that question.

The CHAIRMAN: Then we had better not have that evidence, gentlemen.

The WITNESS: I will take the responsibility of making this statement; you can buy coal at the pit-mouth in Kentucky and West Virginia, for export to Canada, at \$1.50 a ton, while if you bought the same tonnage for transport in the United States, you would have to pay \$1.80 per ton. Further than that, I have seen a statement made by John L. Lewis, in his book published within the year, that the railroads give a preferential freight rate to Canada, in addition to that.

By Mr. Cantley:

Q. I think you are aware—at all events, you will tell us whether you are or not—that the anticipation of the soft coal strike of a year or a year and a half ago, which was asserted by the labour people to be a fight to the finish, and would likely tie up the soft coal production of the United States for a period of months, caused the collieries and railways to mine and bank approximately seventy-five million tons of soft coal. The strike did not come off, and in addition to their normal production, they had that enormous quantity which was thrown on to the market. What was the result, so far as competition in Nova Scotia was concerned?—A. The competition insofar as Canada was concerned, was that this coal, which was sometimes referred to as “distress coal” was being put on to the market at a lower cost than we could mine Canadian coal.

The CHAIRMAN: What was the quantity, Mr. Cantley?

Mr. CANTLEY: In the neighbourhood of seventy-five millions tons, a quantity thought to be sufficient to carry the United States over a struggle which would probably last for six months.

By Mr. Howden:

Q. Do you know whether that coal was subject to the dumping clause when it arrived in this country?—A. No, I don't know that.

By Mr. Bury:

Q. Do you know whether the dumping clause operates effectually or not?—A. I am not in a position to say definitely as to that, but I believe—

The CHAIRMAN: We don't want your belief.

The WITNESS: You are largely asking me for matters of opinion.

By Mr. Bury:

Q. On what ground do you base your belief? If you will give us that, we can draw the inferences ourselves.—A. Well, I would prefer not to state my grounds, but I would like to know now whether this committee desires me to express an opinion.

The CHAIRMAN: We do not want opinions; we want facts.

The WITNESS: Then a very large part of what I have said will be useless to you.

Mr. CANTLEY: I think, Mr. Chairman, upon reconsideration you will not stick to that.

The CHAIRMAN: Every witness has had ample opportunity of expressing an opinion, but we cannot possibly accept hypotheses as evidence.

Mr. CANTLEY: Are we not desirous of hearing the opinions of a representative of the government of Nova Scotia in regard to the coal situation?

Mr. ARMSTRONG: This man is willing to express an opinion.

The CHAIRMAN: Then we will accept this as the opinion of the witness.

[Hon. G. S. Harrington.]

Mr. HOWDEN: Mr. Chairman, the witness has started in about eight times to make a statement to you, and has been interrupted every time. I am rather curious about that statement.

The CHAIRMAN: Will you put the question direct, Mr. Howden?

Mr. BURY: No; let Mr. Harrington finish the statement he has started.

Mr. ARMSTRONG: Give your opinion of anything that will be of interest to this committee.

The WITNESS: That is what I was attempting to do, and if I transgress, do not hesitate to stop me. I was saying that the industry had been met in these two ways with a loss of protective aspect on the duties, and also from this, what might be termed unfair competition from the United States producers.

Now, if competition of that kind continues to its logical conclusion, the producing coal mines in eastern Canada are bound to atrophy, and eventually they will become so restricted that they will not be able to supply a market in the St. Lawrence or eastern or central Canada, and it takes a lot of capital to get them in a producing condition. When once that comes, then you are at the mercy of the United States producers. You cannot get capital to again go into the mines to get them ready to produce, because they are faced at once with a rate war; they are faced now with a rate war. And once they are allowed to atrophy and shrink, capital will say they will again be headed off if they go in for new development. That is the reason for the National Fuel Policy which will conserve for consumption in the Dominion, the national supply of fuel in the Dominion, appearing as the proper way to work for the solution of this question. There has been confusion in considering the production of coal in Nova Scotia, of the industry with the operators. So far as the operators are concerned, I hold no brief for them; they are open for criticism, and we, ourselves, have criticized them. That is one thing. Another thing is the actual coal industry, and I think it should be looked at in this way, whether Canada wants to be self-sustaining regarding her production of coal.

The CHAIRMAN: I may say, that you may put your mind at ease, as that is the solution we are trying to find.

The WITNESS: I understood so, Mr. Chairman. That, I believe, is the reason why this problem should be taken out of the sphere of provincial consideration. It is true that measures that would tend to protect our industry are ones which would tend primarily to the benefit of Nova Scotia, but that is not without some return to the rest of Canada. If these mines are flourishing in Nova Scotia, they make a good market for farm produce, and for manufactured goods in the rest of Canada, and it is not entirely without reciprocal considerations of that kind. But, entirely apart from the question is the one whether central Canada and the St. Lawrence will not some day wake up to find themselves at the mercy of the United States coal producers, without domestic competition. So I believe the aim of the National Fuel Policy should be to produce in Canada all the coal that is consumed in Canada, and to work toward that end by such measures as from year to year and from time to time appear to be able to produce it.

Now, to increase our production in Nova Scotia to, say, seven and a half million or eight million tons, would have the effect of holding these mines together—keeping the organizations together. It would probably reduce the cost of the production of coal.

By the Chairman:

Q. Would it increase the price of coal to the ordinary consumer?—A. Undoubtedly that would probably be the first effect of the increase in duty. We may as well be frank about that. Colonel Cantley, a short time ago, expressed very clearly the effect of outside competition. It is not essentially the

[Hon. G. S. Harrington.]

amount of the goods that are sent into Canada to compete with Canadian products; it is the effect those goods can have when sold at a certain price that fixes the price for the Canadian producers, and they are faced with the option of either producing at that price, which may mean a loss to them, or putting the shutters on their factories.

The CHAIRMAN: We are not concerned with theories. We are looking at the coal situation.

The WITNESS: This is not a theory.

By Mr. Bury:

Q. You talked about a factory; you are speaking about the coal generally? —A. I will state emphatically that the fact that the price of American coal is fixed in that way has a great deal to do with the fixing of the price of coal in Canada, to increase it—

By the Chairman:

Q. Or to reduce it?—A. Or to reduce it.

By Mr. Bury:

Q. Can you suggest a solution? Can you suggest a method?—A. Well, I will give you my views on that. I believe any such policy as I mentioned should contain items, such as the following:

First, governmental assistance to ensure the erection of coking plants within the Dominion at points serving large centres of population—by-product coking plants. That is on the assumption and on the undertaking that these coking plants would use only Canadian coal.

By the Chairman:

Q. Would you have this condition apply to the industrial centres of Ontario? —A. The erection of the coking plants? Just to use Canadian coal.

By Mr. Armstrong:

Q. What other suggestions have you? That is number one. For number two I would suggest that the subvention which has been voted last year for the carriage of coal west of Montreal be applied to coal carried by water to Montreal, and shipped by rail west of Montreal; that a subvention be granted from the Federal treasury upon coal from Nova Scotia carried by water to Montreal, and shipped west of Montreal by rail.

By the Chairman:

Q. How much subvention would you suggest?—A. I will tell you, if you like. You gentlemen have probably been into this subject before?

Q. Yes?—A. I suspected as much. I have not had an opportunity, unfortunately, of following your deliberations.

Q. What suggestion have you to make?—A. I would suggest that a reasonable subvention, to commence with, would be one-fifth of a cent per ton per train mile, on coal, to points west of Montreal; not to exceed in gross \$1.50.

Mr. FLEMMING: I do not think it would be useful to pursue that phase at the present time.

Mr. CANTLEY: Referring to that subject, it is within our knowledge that the government voted \$200,000 a year and a half ago as a subvention towards the movement of coal, and of that amount, only \$14,000 was expended.

The CHAIRMAN: It was not taken advantage of to any greater extent than \$14,000.

WITNESS: It came into operation too late to conclude contracts for that year.

Mr. FLEMMING: It is a material fact.

[Hon. G. S. Harrington.]

WITNESS: I think the Committee should appreciate that, and for that reason I would say that I have not completed what I was going to say. I suggest that the subvention period be set for three, four, or five years, so that the producing companies will know what they can do.

Mr. CANTLEY: The point being the period for which the subvention was available was too short, and Alberta did not get any benefit of it, to enable them to make arrangements, and the subvention arrangement lapsed with the session.

By Mr. Flemming:

Q. The previous subvention was limited to 250 miles, which is 50 cents a ton?—A. Yes.

Mr. BURY: I wish to point out the fact that the province of Alberta was never notified of it.

The CHAIRMAN: Alberta was not included.

Mr. BURY: Yes, it was.

WITNESS: The next suggestion is as to the revision of duties, so as to bring the ratio of import duties approximately to the place where they were when first imposed.

By the Chairman:

Q. On the same ratio as the increased cost of coal?—A. Yes. I had in mind a matter that was dealt with, I think, in the House, and as I have been asked to express my views, I will mention it. The question of the coal trade of Nova Scotia, as I said, was largely built up owing to the element of protection given it. Fifty cents a ton is the specific duty that is imposed at the present time, for no other reason than to extend the markets for Nova Scotia coals.

Q. Did your markets extend when the duty of 50 cents was put on slack coal?—A. Well I would not like to commit myself in regard to that, because slack coal has undergone a complete revolution in the market.

Q. It has become a valuable asset?—A. It has become far more valuable than it used to be, and I think it will continue to become more valuable. But coal that is imported from the United States for the purpose of bunkering boats in Canada, for some reason, is not subject to that duty. That coal can be shipped from the United States to Montreal for bunkers. I am informed on what I consider reliable authority that about half a million tons were used in bunkering at the port of Montreal, and it is actually released from that protective element of fifty cents a ton.

By Mr. Bury:

Q. Is it in the form of a draw-back?—A. That is another question. In the same way, since protection was given to Canadian coals as against the importation of American coal, I cannot see why the draw-back of 99 per cent of the imposed duty is allowed when that coal is used for coking and metallurgical purposes.

Mr. CANTLEY: Is not it a fact that it is not paid as draw-back at all? Coal that is brought in from the United States and landed at Montreal, remains in bond; the steamer comes along that wants 500, 1,000 or 2,000 tons of bunker coal; that coal comes out of bond and goes aboard the boat, and there is no duty paid.

By Mr. Bury:

Q. It is not considered as coming into Canada; it goes out of Canada again immediately?—A. I say it should not be dumped in Canada for bunkering purposes. Canadian coal could be used.

Q. You have mentioned there was a draw-back of 99 per cent on coal that is used for coking or metallurgical purposes?—A. Yes, at five cents a ton. That draw-back should not be allowed.

Q. You contend Canadian plants should use Canadian coal.

Mr. CANTLEY: That is quite correct, but that is a matter altogether apart from bunkering of coal.

By Mr. Flemming:

Q. In regard to this bunker coal, the American coal comes to Canada and is dumped at Montreal, where it remains in bond; that is, it pays no duty?—A. Yes.

Q. Can that coal be used upon all classes of boats going out of Montreal?—A. Yes.

Q. British ships?—A. Yes.

Q. Canadian ships?—A. Yes.

Q. American ships?—A. Yes.

By Mr. Burry:

Q. That should not be allowed?—A. I cannot see any reason for it.

By the Chairman:

Q. Are you positive of that statement, in the manner asked by Mr. Flemming? Can you make that statement positively? You have reference to ocean-going ships?—A. Yes, I had forgotten that.

By Mr. Flemming:

Q. Does it matter what their registry is?—A. No, it does not matter as to the nationality. The important point is to correct the condition.

Mr. CANTLEY: Do our ships obtain a corresponding advantage in the American market?

WITNESS: No, it is my information that they do not.

By the Chairman:

Q. Are you positive of the fact that they do not?

Mr. CANTLEY: We cannot put five thousand tons of Canadian coal in Boston, store it there, and put it on ocean-going ships.

By Mr. Flemming:

Q. Can somebody give us that statement positively?—A. I could file the Customs regulations of the United States with you.

Mr. CANTLEY: There is no question about it?

WITNESS: There is no question about it.

The CHAIRMAN: You are satisfied, Mr. Cantley, that coal sent from the Maritime Provinces, for bunkering purposes in Boston, has to pay duty?

Mr. CANTLEY: Certainly.

By Mr. Howden:

Q. I should like to ask a couple of questions.

WITNESS: Can I finish with regard to the draw-back on coal for coking, inasmuch as that is discrimination against us with regard to American coal entering Canada? I cannot see the logic of the draw-back, which is taken from the general funds or revenue of the Dominion of Canada, to give preference to dealers in American coal, when it is used for coking and metallurgical purposes. The net result of that is, so far as the steel producers of Canada are concerned, the protection given to the steel producers of Canada, using Canadian coal, is gone. I should like to add that, probably, as a separate point.

[Hon. G. S. Harrington.]

By Mr. Bury:

Q. I want to get it clearly in my head; is there any protection given to steel producers by that duty on American coal which is afterwards drawn back? Is there any protection given, unless the Canadian coal is sold to him at less than the price of American coal, plus the duty?

The CHAIRMAN: Make that a little more concise.

Discussion followed.

By Mr. Bury:

Q. The witness stated there was a draw-back on American coal and it had the effect of taking away the protection given the steel manufacturers of Canada. That is what I cannot understand, unless, by the drawback of that duty, he is prejudiced in the price he pays for his coal?—A. I am not clear of having made the precise statement that Mr. Bury says I did, but if I made that statement I would like to follow it by saying that he is prejudiced in regard to the ultimate cost of his product, in competing with the American product.

By the Chairman:

Q. By using Canadian coal?—A. Yes. You are quite correct, it is a question of protection to the coal industries, and not the steel industries.

Discussion followed.

By Mr. Armstrong:

Q. You are through with your suggestions?—A. I believe that another thing which should be given consideration is the imposition of duty on coal coked in the United States, or coked abroad and being carried into Canada as coke.

By the Chairman:

Q. What is your view?—A. I believe it should be subject to the duty there is on American coal.

Q. You are aware that we have an acute fuel proposition in Ontario at times?—A. Yes.

Mr. CANTLEY: Will not the same apply to hard coal?

WITNESS: I do not think that it is necessary to apply it to hard coal, because coke, if produced under the conditions to which I have referred, that is, from by-product ovens in large centres, will enter into successful competition with anthracite coal on its merits. There should be a period of education.

By Mr. Bury:

Q. Do you suggest the duty should be in effect during the period of education?—A. It would probably assist. I do not want to find myself in a position of suggesting burdensome things, but I do think that a duty should be applied on anthracite screenings that enter into Canada.

By the Chairman:

Q. Used for industrial purposes?—A. Yes.

By Mr. Howden:

Q. Do not you think that a duty on coke would deter the importation of coke, by reason of the price to the consumer. First of all, the Ontario consumer must adopt coke in preference to the use of anthracite coal?—A. That might be a more logical way to approach it, but it will defer benefit accruing to the coal industry for some time. I think a little preference should be given to the use of Canadian coke in the Ontario markets, in order to stimulate the preference for coke, and displace the use of American anthracite as a domestic fuel.

The CHAIRMAN: We cannot possibly raise the price of coal to the industries of Ontario, without putting an unbearable burden upon them.

By Mr. Armstrong:

Q. Or increase the duty on their products. I know of factories in the province of Ontario that have been very seriously interfered with by reason of the duty on slack coal. Now, you were suggesting a still further increase on that same product. How can you expect these industries to carry on without some increase in the duty of their product?—A. Well, in regard to that, Mr. Armstrong, I would say if for their assistance they require further protection in the interim, probably they should have it. But I will go further and tell you this; that if once the Canadian coal producing companies go down, as I pictured some little time ago, they will be in the position where they are at the mercy of the United States producers, and they won't get coal at a price that will allow them to compete with the American producer.

Q. Have you noticed within the last few weeks that a merger is under way of some fifteen of the large coal producing companies in the United States? What effect would that likely have on the shipments to Ontario?

Mr. CANTLEY: Will you repeat that statement, I did not hear it?

Mr. ARMSTRONG: Within the last few weeks fifteen of the large coal companies of the western States have arranged to go into a merger. We know of smaller mergers of ten millions of capital within the last year. Would not those mergers, after they were consummated, be in a position to advance the price?

The CHAIRMAN: Or reduce it?

By Mr. Armstrong:

Q. Or reduce it to such an extent that you would be compelled to either increase your duty or go out of business?—A. The tendency of such a merger undoubtedly would be to reduce the costs of production and so extend their market, extend their competition.

By the Chairman:

Q. To give the consumers cheaper coal?—A. Yes.

By Mr. Armstrong:

Q. Are you convinced— —A. That merger to which you refer is in Illinois, is it not?

Q. Yes?—A. In one of the Western States?

Q. Yes.

The CHAIRMAN: Illinois and Indiana.

By Mr. Armstrong:

Q. Have you investigated this anti-dumping clause to any great extent?—A. Not sufficiently to give you any satisfactory evidence on it.

By the Chairman:

Q. But have you felt the effects of the legislation as it is at the present moment; that is, the dumping clause?—A. Have we felt the effects of it?

Q. Yes?—A. Yes.

Q. State how and when and where?—A. Well, as I stated a while ago, we felt that the anti-dumping clause in regard to coal was not adequate to assist us in Nova Scotia.

By Mr. Armstrong:

Q. Through not being properly enforced or in what way?—A. I would prefer just to limit my remarks to what I said, Mr. Armstrong; that we have not benefited very much.

[Hon. G. S. Harrington.]

By Mr. Flemming:

Q. Just a moment. We would like to get some information from you as to whether the cost of production could be materially lessened in Nova Scotia if there was an increase in the sale of coal? Now, we have had information—

Mr. CANTLEY: That is, supposing the production is increased from 5,000,000 tons to 7,500,000 tons.;

The CHAIRMAN: You would include that last figure of 7,500,000?

Mr. CANTLEY: As a possibility.

The CHAIRMAN: Yes.

Mr. CANTLEY: Yes. I say, Nova Scotia could produce this year ten million tons, having a satisfactory market.

By Mr. Flemming:

Q. We have had evidence given to this Committee that you have mines working for a very limited number of days per week in the winter season. Now, if it were possible to get an adjustment of rates or a subvention that would keep your mines running fairly steady, would the cost of production be materially reduced?—A. Yes.

The CHAIRMAN: To what extent?

By Mr. Flemming:

Q. To what extent? That is, in your judgment; we do not expect you would know exactly, but as far as your judgment would go?—A. I cannot answer that question, to what extent; it depends on too many considerations, depends on the amount of output.

Q. It is very, very important for us to know that; that is, as definitely as we can. We do not expect you to say, no one could be absolutely definite?—A. You do not expect me to give actual dollars and cents?

The CHAIRMAN: Give us the percentage.

By Mr. Flemming:

Q. But the probable reduction?—A. The cost to the consumer.

Q. We have the aim constantly in our minds to increase the use of Canadian coal, and we can increase the use if we can decrease the cost by increasing the use; the one fits absolutely into the other?—A. Yes. Well, all I can say in regard to that is that if the output from the Nova Scotia mines was capable of being spread practically evenly over a producing period of twelve months by—

Mr. CANTLEY: Any means whatever?

The WITNESS: By any means whatever. But you will understand, that shipments for coking purposes—

By the Chairman:

Q. To what extent?—A. From, say, the normal present output of five million tons to seven and a half or eight million tons. My opinion, which is all I can give you, is that it would reduce the cost of production at the pit head anywhere between fifty and seventy-five cents.

Q. A ton?—A. A ton.

Mr. CANTLEY: That is the information we want to get; that is valuable stuff.

By Mr. Howden:

Q. You say that your present output is five million tons?—A. Well, for the present year, of course.

The CHAIRMAN: Approximately.

By Mr. Howden:

Q. Approximately five million tons?—A. Five million tons would likely be the average annual production for the last ten years, I presume.

Q. Do you think that an output of seven and a half million tons would put your mining industries on a pretty fair basis?—A. I would say, yes; I said seven and a half to eight million tons.

Q. Would put your coal mine on a pretty fair working basis?—A. I would say so. If we had an insured outlet for an output of eight million tons a year and distributed evenly throughout the twelve months operation, I believe the coal mines in Nova Scotia would be quite a satisfactory proposition and I believe the cost of fuel could be reduced at the pit-head.

By the Chairman:

Q. The cost of production at the pit-head would be fifty to seventy-five cents less per ton?—A. That is my opinion.

By Mr. Armstrong:

Q. You could not expect your output to be consumed in eastern Canada from your mine unless the steel company's plants were in operation?—A. That is almost literally true.

By the Chairman:

Q. Why almost?—A. Because it is a matter of futurity and I do not like to make a positive, definite statement about the future, but I can say that the coal slack that has been utilized at the steel plant has been a balance wheel on the industry. That has, in the first place, allowed them to keep their organization at the pits together throughout the winter months; gives them an actual opportunity to work them, and has utilized a class of coal which hitherto has not been easily marketable, namely, slack taken out of their coal, and it has been a balance wheel on the coal mining industry.

Q. Will you repeat the statement again for the Committee that the price of that slack has been increasing in value?—A. Yes, it has.

By Mr. Bury:

Q. I have a letter here from the Fuel Commissioner and Trade Commissioner of Alberta, Mr. Stutchbury; have you met him?—A. No, I have not met him.

Q. He gives in this some of the suggestions you make. He makes this suggestion: "The Committee should be impressed with the importance of a Coal Sales Act covering all classes of coal produced in Canada", what do you think about that?—A. I have given no consideration to that.

Q. Given no consideration?—A. Would that be a Federal Act?

Q. That would be a Federal Act.—A. And in the nature of regulating prices?

Q. I imagine so.—A. I have never given any consideration to that aspect of it, but it would be a perfectly legitimate matter if the Federal Treasury would assist the coal industry and it has the full material before it regarding transportation costs and cost of production. It would be perfectly legitimate that it should inquire of the company and find out what is a fair price and set it.

Q. Certainly, as a correlative of the assistance they give?—A. Yes, I think so; but that is only my opinion in regard to the matter.

Q. He makes another suggestion, that an increase in the duty on bituminous coal of ten cents per ton, and sixty cents on anthracite coal which now enters Canada free, and that these two sources of income should be ear-marked

by the Federal Government for the purpose of subsidizing the industry.—A. I have never heard this suggestion before.

Q. With regard to the ten cents per ton on bituminous coal?

The CHAIRMAN: Will you state to this Committee when this communication was sent to you?

Mr. BURY: Yes. I got this communication about the beginning of this month.

By Mr. Bury:

Q. Have you considered that increase of ten cents per ton duty on bituminous coal?—A. No.

By the Chairman:

Q. Would an additional duty of ten cents per ton on bituminous coal be of great value to your coal mines, or to the Maritime Provinces coal mines?—A. Standing by itself, I would say it would not be very material, but taken in conjunction with other measures I believe it would assist very materially.

By Mr. Flemming:

Q. As a factor?—A. As a factor. I would like to suggest that you gentlemen ask Mr. Cornell, who is the Freight Rates expert on the question of transportation, any question you wish.

F. C. CORNELL called and sworn.

By the Chairman:

Q. What is your official position?—A. Traffic Manager of the Maritime Transportation Committee.

Q. How long have you been in this situation, Mr. Cornell?—A. A little better than a year.

Q. Prior to that where were you employed?—A. The Millers' Association, Montreal.

Q. In other words, you are very familiar with transportation costs with regard to coal in the Maritime Provinces?—A. Reasonably so.

Q. You have had previous experience with the transportation of grain?—A. Yes.

Q. Consequently, you are fairly well informed upon transportation generally?—A. That is up to somebody else to decide.

Mr. CANTLEY: As I understand it, Mr. Cornell is employed by the three Maritime Provinces to investigate and report on freight conditions and he is particularly acquainted with all the rate structures of the various roads in the country.

The CHAIRMAN: Then, Mr. Cornell is familiar with the freight rates now prevailing on coal from the Maritime Provinces.

By the Chairman:

Q. Have you a statement to make, Mr. Cornell?—A. No, sir, I am here at the convenience of the Committee.

The CHAIRMAN: Mr. Cantley, will you question Mr. Cornell?

Mr. CANTLEY: I think that Mr. Cornell had better make a general statement in regard to freight rates. I am inclined to give him a free hand first and we will ask him questions later.

By the Chairman:

Q. Our situation, Mr. Cornell, is that we are trying to extend the area in which Maritime Provinces coal is now being used in Ontario. One of the

obstacles we have had to meet is the cost of transportation. That, I believe, is a subject upon which you are familiar. Will you state to this Committee, what conditions or what changes in the freight rates would extend the area where coal from the Maritime Provinces could now be used?—A. I might make an explanation here to this extent, that in January, the Federal Government, by Orders in Council P.C. No. 225 and 226, ordered an investigation into the cost of transporting coal all rail from the Sydneys, Springhill, Minto Coal mines and the Pictou district to Montreal, Quebec, and points west of Montreal and Quebec, and also reshipping rates from Quebec, Three Rivers and Montreal.

Q. In what area was this investigation made?—A. The investigation is now under way, we are right in the middle of it at the present time. There is one feature of the all rail movement from the Sydneys or from the coal fields of the Maritime Provinces to Quebec and Ontario that probably has not been brought out yet.

Q. Will you treat the Quebec situation first?—A. This feature that I am dealing with now, really includes both, and that is the reason why the Springhill coal mine or the coal mines of the Maritime Provinces are so far distant by rail from the centre of Canada. I think the shortest way in which to put this on record is to quote an extract from the official history of the Intercolonial Railway by Sir Sanford Fleming. At the time the road was built there was political and international feeling between the United States and Canada; in fact it went so far that the British Government refused to guarantee the bonds of the Intercolonial Railway unless it was built around the North shore by Campbellton and Bathurst. The result is outlined here by Sir Sanford Fleming very clearly. After tracing the developments, Sir Sanford arrives at this conclusion. This is quoting from chapter 6, page 77, of the History of the Intercolonial Railway.

Q. Of what document?—A. I will give you the reference. Sir Sanford Fleming was Chief Engineer in charge of construction and the book is in the Archives of the Dominion Government according to Act of Parliament, 1876, by the Department of Agriculture. (Reads):

Extracts from "A History of the Intercolonial Railway" written by Sir Sanford Fleming, Chief Engineer in Charge of Construction, and published by the Dominion Government, 1876

Chapter 6, page 77

The location of the line being necessarily confined to British territory, it was forced to make a considerable detour, to avoid entering the State of Maine. Had no national considerations presented themselves, or had the boundary been laid down according to the treaty of 1783, or even in accordance with the settlement proposed, and, to some extent, pressed by the United States some years prior to the Ashburton Treaty, there would have been no difficulty in securing a direct, eligible route.

The Railway would, in this case, in all probability, have followed the general course of the route surveyed by Captain Yule, in 1857, for the St. Andrews and Quebec Railway, as far as the neighbourhood of the River St. John, but with such modifications and improvements as further surveys might have suggested. Owing to certain political influences Captain Yule was bound by his instructions to pass to the North of Mars Hill. Thus his line was deflected out of the direct course to the seaboard; and it is highly probable that untrammelled he would have followed a shorter route. It is quite evident, from an inspection of the map, and from the natural features of the country, that lines of railway might have projected, so as to bring Montreal within 380 miles of St. Andrews, 415 miles of Saint John, and 650 miles of Halifax; and the

distance from Quebec to St. Andrews need not have exceeded 250 miles, 67 miles less than to Portland. Fredericton, the seat of local government, would have been on the main line to Halifax, and distant from Montreal about 370 miles, and these lines, moreover, would have been wholly within the limits of the Dominion had the International boundary been traced according to the true spirit and intent of the Treaty of 1783.

The distance between Montreal and Halifax would thus have been lessened nearly 200 miles. St. Andrews would have taken the place of Portland as the winter terminus of the Grand Trunk Railway, and would have commanded, together with St. John, a traffic now cut off from both places, and centered at a foreign port.

The direct route would have brought the Springhill coal fields of Nova Scotia 200 miles nearer to Montreal than by the present line of the Intercolonial, and would have rendered it possible to transport coal by rail at a comparatively moderate cost.

If, under such circumstances, an Intercolonial Railway line to connect the cities of the Maritime Provinces with those of the St. Lawrence had been constructed, the building of 250 miles of railway representing an expenditure of \$10,000,000 would have been unnecessary. Great as this saving is, the economy in working it and in maintenance would have been important. The direct line would also have attracted certain branches of traffic which by the longer route must be carried at a loss or repelled. These considerations render the difference in favour of the direct line incalculable, and cause the more regret that the treaty made by Lord Ashburton, which ceded territory equal in size to two of the smaller States of the Union, rendered such a direct line through British territory forever impossible. Although it is too late to rectify this almost fatal error it is important in a history of the Intercolonial Railway to recount all the steps by which so costly a consequence has been forced on the Dominion.

Q. Is this going to form part of your evidence?—A. Yes. The reason that I bring that in is that it is comparing the rail hauls from the coal fields of the Maritime Provinces.

The CHAIRMAN: This is filed to be incorporated in the record.

The WITNESS: The present all-rail rate from Springhill to Montreal is \$3.60. You have a mileage there of 538—that is the C.P.R. short mileage.

By the Chairman:

Q. You are basing your figures on the longer haulage?—A. I am basing my figures on the longer haulage to arrive at the conclusion I am after.

By Mr. Flemming:

Q. Mr. Cornell, have you the figures you are about to give us in shape so they can be placed upon the record?—A. No, I only scribbled them down on short notice.

The CHAIRMAN: Make them as concise as possible.

The WITNESS: Yes. If the 200 miles of non-commercial line were eliminated, and the present per ton mile basis applied to the rates from Springhill, it would mean that the present rate from Springhill of \$3.60 per ton could be reduced to \$2.55. To Ottawa, the present rail rate of \$4.70 per ton from Springhill, could be reduced to \$3.11, and taking the Sydney basis; to Montreal, the present rate of \$4.50 could be reduced to \$3.60, and the rate to Ottawa from Sydney, which is now \$5.80 could be reduced to \$4.75. That is not taking into consideration whether that rate is on the cost basis or otherwise; it is simply eliminating 200 miles of track.

By Mr. Flemming:

Q. That would be making the railway suffer the loss of the military location of the track itself?—A. Yes; my contention is—and my principals contend the same thing—that it is unfair to saddle on to the traffic from the Maritime provinces this unnecessary 200 miles of track which was built for military reasons.

Mr. ARMSTRONG: What other information can we get, Mr. Chairman?

The CHAIRMAN: I have no questions to ask this witness.

The WITNESS: I might go farther and say, gentlemen, that it is almost impossible to state at the present time what might be termed a fair cost figure for moving coal from the Sydney or Springhill or any coal field, to the central province by the all-rail route, or the re-shipping routes, from Quebec, Three Rivers, and Montreal, particularly due to the fact that information which is ordered through the Railway Commission, from the railways, is not available as yet, to apportion the cost from these different angles.

By the Chairman:

Q. Mr. Cornell, what we are most interested in is the present existing cost of transporting that coal from the Maritime provinces to Montreal.—A. You have that information.

By Mr. Cantley:

Q. Mr. Cornell, supposing that a large movement of coal was made from the Nova Scotia fields, including Cape Breton, Pictou and the Springhill district, in the winter time, when cars were being returned empty; how much do you think would be the actual cost to the railway of such a movement?

The CHAIRMAN: You mean out-of-pocket, or on the rate, Mr. Cantley?

Mr. CANTLEY: On the rate.

By Mr. Cantley:

Q. At what rate could the railroad move it forward from these several points, put up in those cars which are now being returned empty?—A. I would say they could cut their present rate in half.

By Mr. Armstrong:

Q. How do you arrive at that conclusion?—A. I base it on the fact that a large movement of grain can be handled at a figure of about two-fifths of a cent.

By the Chairman:

Q. Your figures are based on the handling of grain under similar conditions?—A. It is unfair to say we must pick out the coal rate, and say it must stand on its own feet.

Q. That does not answer my question. I asked you if your figures were based on the handling of grain under similar conditions.—A. They are based on the lowest per ton mile, traffic moving to-day in large volume.

By Mr. Cantley:

Q. I will try to put my question a little differently and see if I can make it clearer. Supposing a train leaves Halifax, Truro, New Glasgow or Cape Breton, with 50, 60, 70 or 100 empty cars. Given the same locomotive power, what would be the cost of bringing that train filled with coal, rather than empty? How much would it add to the cost to bring these cars up to Montreal.

The CHAIRMAN: Is it fair to ask our friend the witness here to give evidence upon a subject which is really a transportation problem, and which information could be secured from railroad men?

[Mr. F. C. Cornell.]

Mr. CANTLEY: I take it this gentleman is a rate expert, and familiar with moving that class of freight. I think I am right in that.

WITNESS: The question is rather a difficult one to answer.

The CHAIRMAN: I thought it was unfair.

Mr. FLEMMING: I thought so too.

The WITNESS: It is up to a railroad man, but it is a question which even a specialist in transportation costs would find difficulty in answering.

By Mr. Flemming:

Q. I think we can get the idea in a different way. What is the mileage from, say, Springhill to Montreal?—A. I have 680 miles, C. N. R. I think the short mileage is 538 by the C. P. R.

Q. That is, 538 miles would be via the C. P. R., the short line across Maine?—A. Yes.

Q. Then the mileage to Ottawa, for instance, would be 100 odd miles more than you stated to Montreal?—A. Yes, it would be 110 miles more.

Q. Now, ought not the movement of coal from eastern Canada into central Canada to be cheaper than it ordinarily would be on account of the amount of empty car tonnage that must be conveyed from the east to the west every year, and therefore, coal could be conveyed, using these empty cars, instead of making the traffic stand essentially upon its own feet. Would it not make a material difference?—A. In the matter of utilizing cars both ways, yes.

Q. But, also, more than that, would it not make a material difference? You have got, we will say, 50 empty cars to convey from St. John or Halifax, to Montreal. Would it not make a material amount of difference whether you loaded those cars with coal, and conveyed them to Montreal, or whether you would bring those cars up empty, and then consider the question of taking empty cars from Montreal down there, to return them with coal? That is the point I am after.—A. Of course, the aim of any transportation company is to get full loads both ways. Unfortunately, the railways claim that these 120,000 copper bottom grain cars are not suitable for the coal traffic; their contention is that they are not the proper cars to use in the Maritime regions.

Q. Are you familiar with what is known as the \$7 rate from Alberta to Ontario?—A. I have followed it.

Q. Assuming that to be a reasonable rate—I am not asking you to say it is—if you would apply that rate from Nova Scotia to central Canada, would it produce a rate materially less than the existing rate?—A. Yes.

Q. About how much?—A. Are you speaking now from Springhill?

Q. Yes.—A. This is a very rough estimate, but I would say you would cut down the rate to \$2.40 per ton.

Q. Instead of what?—A. That is from Springhill to Montreal, as compared with \$3.60, the present rate.

Q. Exactly. And from Minto, for instance, to Montreal, as compared with the present rate?—A. I have not the Minto mileage.

Hon. Mr. HARRINGTON: 406.

The WITNESS: It would probably cut it down to about \$2.

By Mr. Flemming:

Q. Instead of what?—A. I don't know the present rate.

Q. Instead of \$2.75. Could you give us that rate applied to Sydney Mines shipments?—A. Sydney shipments would be roughly, between \$3.25 and \$3.50.

Q. Instead of—A. \$4.50.

Hon. Mr. HARRINGTON: I mentioned in my evidence the calculation we made last winter on a shipment from Sydney Mines, which was \$3.20.

The WITNESS: I am allowing for a little increase per ton per mile, on account of the shorter mileage.

By Mr. Cantley:

Q. Now, Mr. Cornell, I will put my question in a little different way. Would not the actual cost of bringing empty cars coming west, be represented by the extra cost due to the extra power consumed, a slight increase in water and lubricant; the train crews' wages being practically the same whether the cars come west loaded or empty? In other words, the extra cost would be confined to these three items?—A. With a reduction in the number of empties that could be handled on one train.

There is one thing which may not be apropos to this inquiry, but are these (indicating the charts), the official rates.

The CHAIRMAN: Our representative from the Fuel Board is responsible for that, and he will answer any questions.

The WITNESS: I am not going to cross-examine another witness, but I would like to place this on the record. I picked up in Montreal on my way down, the standard coal mileage tariff of the C.N.R. It is Canadian National Railway Coal Tariff C.C-82, C.R.C. E-1014. It is a tariff which came into effect on January 15, 1926.

By Mr. Bury:

Q. Is there a difference between them?—A. Take, for example, the mileage from Montreal to North Bay. It is shown on the chart as 340. The standard mileage tariff here for bituminous coal for 340 miles is \$2.90 a ton; their rate (indicating the chart) to North Bay is \$3.60.

For a point like Timmins, where you have 601 miles; the rate in the tariff is \$4 per ton, the rate shown on the chart is \$4.95 per ton. For Cochrane, which is 593 miles, the rate shown on the chart is \$4.95, and for 593 miles, the standard tariff charge is \$3.90.

Mr. BURY: Perhaps Mr. Hotchkiss could throw some light on that.

Discussion followed.

By Mr. Armstrong:

Q. Did you investigate to any extent the handling of coal by water to Toronto and Hamilton?—A. No, I have not. I made a cursory examination, comparing that rate with the all-rail rate.

The CHAIRMAN: We have had that already.

Mr. BURY: Do not you think we ought to have the freight rates before us that were issued 1st January of this year, to have them put on the record?

Mr. FLEMMING: Yes.

WITNESS: I have with me the tariff, and the tariff can be obtained at any time by application to the Railway Commission.

By the Chairman:

Q. You can get another one, Mr. Cornell?—A. Yes. I will make out a comparison and hand it in in memorandum form, to be filed.

The CHAIRMAN: That will be quite acceptable.

By Mr. Bury:

Q. Do you know Duluth at all?—A. Yes.

Q. We had evidence that there was a machine there for unloading coal into boats.

The CHAIRMAN: We have gentlemen here who will give that information.

[Mr. F. C. Cornell.]

A. J. CREIGHTON called and sworn.

R. H. McWILLIAMS called and sworn.

The CHAIRMAN: Mr. Creighton is a coal dealer, and Mr. McWilliams is a stone-quarry man. In order to facilitate the work of the Committee, I may say that Mr. McWilliams is familiar with the rates and handling of Alberta coal to Ontario. Mr. Creighton has been dealing in Alberta coal for about two years, and trying to find ways and means of bringing that product to the eastern market. Mr. Creighton, will you go on with your statement.

Mr. CREIGHTON: We have been working on that problem for a couple of years. We were stalled for quite a while on account of the degradation of the coal being brought by water to the east. We could not get any further for quite a while, until we arrived at the conclusion that there should be a briquetting plant, in the east, to take care of the degradation of the coal. I have a sample of briquettes here. We came to the conclusion that if we could get a proper rate from the mines to the head of the Lakes, Alberta coal could be transported to the east to practically take the place of anthracite coal; as anthracite coal, to-day, has become a luxury in both the east and the west. Not only that, but on account of the trouble there has been in connection with the mines in the United States in the last ten years, and the soaring of prices from time to time has made us very dependent on our supply of domestic coal from the United States, where we have not got coal.

We wrote to Sir Henry Thornton in connection with the matter, and the correspondence is here, which I will leave with you. Sir Henry Thornton sent Mr. Warren to Owen Sound to meet us in connection with the matter. We arrived at an understanding with regard to the rates that we had in the east, that is, we took the commodity rate on coal from the bridge to Owen Sound, and compared that rate with the commodity rate that we required out of Owen Sound—we took Owen Sound as a basis—on the Alberta coal. Mr. Warren said that was a precedent that could be established, compared with the rates from Niagara Falls and Buffalo. Then we took the rates by water, by the use of self-unloaders, from Lake Erie ports, and Georgian Bay ports to Owen Sound; which is 85 cents a ton—that is, free on the dock. That is the railway rate.

By Mr. Armstrong:

Q. From where?—A. Lake Erie ports; Sandusky and Toledo. That is the lowest point from which we get coal. Then we asked Mr. Warren for a \$3 rate from the mines to the head of the Lakes.

By Mr. Bury:

Q. From Alberta mines?—A. Yes, from the Alberta mines—the Drumheller district. He wanted to know how we arrived at the \$3 rate from the mines to the head of the Lakes. We told him that we based that rate on the commercial commodity rate on grain in the east, compared with the west. We got the rates from the railway agent. We got the rate on wheat from Owen Sound to Niagara Falls, which is \$3.60 a ton; while the rate on anthracite coal from Niagara Falls to Owen Sound, or vice versa, is \$1.90 a ton. The rate on bituminous coal from Niagara Falls to Owen Sound, and from Detroit to Owen Sound, is \$1.70 a ton; and 20 cents a ton less than on anthracite. That is on account of the value of the two commodities; one is worth so much more than the other.

We based our rate from the mines to the head of the Lakes at the same proportion, and it figured out at about \$3 a ton from Drumheller district to the head of the Lakes.

[Mr. A. J. Creighton and Mr. R. H. McWilliams.]

By the Chairman:

Q. What is the present rate?—A. The present rate from Drumheller is \$4.70 a ton on wheat.

By Mr. Bury:

Q. You do not know what the rate is on coal?—A. Only that they asked us \$6, or \$6.50, and 40 cents for loading at the head of the Lakes.

Mr. McWILLIAMS: We got a wire from the C.P.R. agent at Owen Sound yesterday in which he said the rate was 27 cents; that makes it \$5.40 in place of what Mr. Lapierre said—\$4.70. I was talking to Mr. Creighton about it afterwards, and he said "I wonder where Mr. Lapierre got his rate?" I said, "The C.P.R. has wired us the rate." The Canadian National have a rate of \$4.70 against the C.P.R. rate of \$5.40. There may be a little difference in the mileage.

The CHAIRMAN: If it is a competitive rate, the rates should be equal.

By Mr. Armstrong:

Q. I understand that Mr. Vaughan accepted our rate of \$5.40, on the basis of a rate of \$9 per ton for carrying coal through Ontario. You have had that rate of \$5.40 submitted to you?—A. On grain, not on coal. What we were basing it on was the classification rate.

By Mr. Bury:

Q. What did he say when you put the \$3 rate up to him?

Mr. CREIGHTON: He said they were not getting sufficient from grain. We replied to that with the statement that the producer did not say so; and the earnings of both roads did not say so. But we could not get any further, so far as the rate is concerned, to the head of the Lakes.

The CHAIRMAN: We have to accept the \$5.40 rate as the rate to the head of the Lakes, on grain.

Mr. ARMSTRONG: Go on with the proposition.

Mr. CREIGHTON: We said wheat was worth from \$35 to \$50 a ton. Coal was worth \$3 to \$3.50 a ton; therefore, the coal should bear a rate in proportion to the value of the grain; in which way the classification works all the way round, in all commodities, because the space occupied is practically the same. Coal can be carried in equipment that grain cannot be carried in.

In order to make it a success at the western end, the railway would have to be equipped with up-to-date modern steel cars, of from 50 to 100 tons capacity. With a tuttle at the head of the Lakes, such as there is in Lake Erie, they could run cars up and dump them over, at the rate of 40 cars per hour, as is done at Duluth and other places in the United States. If these tuttles were put in shape, there is no reason in the world that we can see why Alberta coal cannot be brought down to Ontario, and, in a very short time replace anthracite coal that is now coming from the United States.

Br. Mr. Bury:

Q. You said that you had had some experience with Alberta coal becoming degraded by result of trans-shipment by water?—A. You misunderstood me. I suggested a briquetting plant to take care of the degradation. There is no Alberta coal coming east via water at all. But I have had experience in transporting soft coal from the United States, and have some idea of the breakage there.

Q. Do you know Duluth at all?—A. I know of it, that is all.

[Mr. A. J. Creighton and Mr. R. H. McWilliams.]

By Mr. Armstrong:

Q. Have you had any estimates given you in regard to the carrying of coal from Port Arthur or Fort William by boat?—A. Yes, we had a conversation some time ago with Captain James Foot.

By the Chairman:

Q. What authority had Captain Foot?—A. Why, he is a vessel owner.

Q. Was he competent to quote rates?—A. Yes. And he is Lloyd's agent in the city of Toronto.

By Mr. Armstrong:

Q. What was the proposition he made?—A. Before we went to Sir Henry Thornton, we suggested to Captain James Foot that \$1 ought to bring Alberta coal to the east, and he said, he would be glad to enter into a contract at any time to carry coal from the head of the Lakes to the east, at \$1 a ton.

By the Chairman:

Q. What was the western point?—A. Owen Sound was spoken of.

Mr. McWILLIAMS: If we could stick to the head of the Lakes a little bit further.

Mr. ARMSTRONG: Mr. Cuttle of the Canada Steamship Lines was here some days ago, and he made a proposition to the effect that if his company were to receive a contract, guaranteed for five years, for the carrying of 500,000 tons of Alberta coal from Port Arthur or Fort William, he would guarantee to deliver that coal on docks, or in cars, at the ports on the Georgian Bay, or all the ports on Lake Huron, down as far as Point Edward, for 50 cents a ton. It would not include the pure freightage across the water, nor the delivery of the coal from the boat on to the shore.

Mr. FLEMMING: My recollection is that the price included the cost of loading, but not the cost of discharging.

Mr. ARMSTRONG: It is the very opposite; he would install the machinery, for unloading purposes, in his boat.

The CHAIRMAN: That was included in the 50 cent rate.

Mr. ARMSTRONG: Yes, that was included in the 50 cent rate. That is why I say, as the evidence shows, that coal could be delivered at Owen Sound, for instance, at 50 cents a ton. If that coal was delivered from the mines to Port Arthur or Fort William, at the \$5.40 rate, would that make it available for reshipment at a feasible rate, to compete with American coal?

Mr. CREIGHTON: It certainly would, but why is the dollar that is composed of one hundred cents in the East not as good in the West as it is in the East? Why give them \$5.40, that high rate there, compared with their lower rate in the East.

Q. Of three dollars?—A. (Mr. Creighton answering). Well, \$3; we put a minimum of \$3.

Q. That is on grain?—A. No, on coal.

Q. On coal?—A. Yes, \$5.40.

Q. You have compared the mileage in the East with the mileage in the West?—A. Yes.

Q. And your estimate bears out the fact—

Mr. McWILLIAMS: I do not think that is a fair way to put it.

Mr. CREIGHTON: The rate from Niagara Falls on coal is \$1.90.

[Mr. A. J. Creighton and Mr. R. H. McWilliams.]

By Mr. Armstrong:

Q. How many miles is that?—A. That is, in round figures, 300; it is hardly that, but that is approximate. The rate on grain to that district is \$3.60.

By the Chairman:

Q. For the equal mileage?—A. For the equal mileage.

By Mr. Armstrong:

Q. What is the rate on flour?—A. I do not know what the rate is on flour.

By Mr. Cantley:

Q. You made some remark in regard to the rate at which wheat was carried and the relative value of wheat and coal on the basis of which commodity rates are based, the value comes into account?—A. Yes.

Q. In view of that, what rate should coal bear?

The CHAIRMAN: You mean to the head of the lakes from Drumheller?

Mr. CANTLEY: No, from the head of the lakes to the point where the freight is \$5.40 on wheat.

Mr. CREIGHTON: From the head of the lakes?

By Mr. Cantley:

Q. No. I understood you to say they were carrying grain at certain rates, I have forgotten the rate.—A. Yes.

Q. And you state that coal was only worth a very small proportion of the wheat, therefore, coal should be carried at a correspondingly low rate; what should that rate be, in your judgment?—A. That rate would be in the neighbourhood of \$3, probably \$3.50.

By Mr. Armstrong:

Q. You mean from Alberta?—A. From Drumheller, at the same proportion as wheat and coal are carried in the east.

Mr. McWILLIAMS: It is nine and a half cents from Owen Sound, or from Niagara Falls or Buffalo to Owen Sound on coal, and it is eighteen cents on grain from Owen Sound to Buffalo or to Niagara Falls, making a difference in the classification.

Mr. CANTLEY: What is the present rate from Drumheller to the head of the lakes?

Mr. McWILLIAMS: There is no rate.

Mr. ARMSTRONG: They have merely made an offer of a rate.

Mr. CREIGHTON: That is what we are trying to establish.

The CHAIRMAN: \$5.40 is the grain rate.

Mr. CANTLEY: You say that rate should be reduced, taking a commodity basis, to three dollars.

Mr. CREIGHTON: Yes, to compare with the eastern rates.

By Mr. Armstrong:

Q. The mileage is greater?—A. The mileage is greater but the mileage is also greater on the grain. That is the way we classify them, grain and coal. Mr. Warren asked us this when he came to Owen Sound, when we made a skeleton layout of bringing it down to the head of the lakes and then by water to Owen Sound. This commodity rate out of Owen Sound of \$1.50 was mentioned. "Well," he said, "we can dismiss your commodity rate out of Owen Sound, you have got a precedent for that. We can dismiss your lake rate, you have a precedent for that. What you want is a rate from the mines to the head of the lakes.

[Mr. A. J. Creighton and Mr. R. H. McWilliams.]

That settles it, if we will give you that." "That is exactly what we want," we said. Then we started in and we took the matter up on that commodity rate, and he said, "well, gentlemen, do you want to stick to that \$3 rate?" We said, "why should we not?" He said, "Do you want us to stick to that?" We said, "why should you not? With the rate on the grain and the classification of \$30 to \$50 a ton for wheat, and the price of coal at \$3 a ton," putting them in their classifications, giving him a specific statement. "We have made a rate here," he said, "let us get to a concrete condition; let us make it short so that it will be absolutely concrete." "Take Owen Sound to Toronto, the grain rate is 13 cents, or \$2.60 a ton; the stone rate is four and a half cents and five and a half cents. Let us take the outside one, \$1.10. That is concrete, Mr. Warren, why won't that apply in the West?" "Well," he said, "I will have to leave it with you at that," he said, "I will have to go to Montreal with these figures and we will let you know further." In getting it down to where we wanted to on that end of it, the matter of the commodity rate out of Owen Sound was settled because there was a precedent for that rate. That rate was settled as far as that went, that had a precedent. Now, it is getting to the head of the lakes. If we can get that rate settled satisfactorily there, then the trouble is over.

Q. That is a matter to go before the Railway Commission.—A. Well now, getting back to the head of the lakes, bringing coal down and putting it in the vessel by rail. The rate from the mines in West Virginia aboard the vessel is \$1.99.

By the Chairman:

Q. Where did you get those figures?—A. I have them right here.

Q. From whom?—A. From the Craig Coal Company from whom I buy my coal. Here is the manifest. Here are the prices and weights and the cars; here is the price of the freight, \$1.91 to the water and 8 cents for loading. Now, that is in small vessels, with larger vessels it would be less.

Mr. ARMSTRONG: That looks like valuable material, Mr. Chairman.

The CHAIRMAN: Yes, I am having this included in our report.

The WITNESS: Now, here is something else.

The CHAIRMAN: Describe it, please, for the reporter.

The WITNESS: A letter from M. A. Hanna, dated May 14, 1926. There are a couple of other items in connection with this but they do not amount to anything.

By the Chairman:

Q. Read what is of interest to the committee.—A. Yes.

The above prices on coke are the lowest for the year and it is necessary that we make them for prompt acceptance. We are under the impression that you use self unloader boats for your dock at Owen Sound. We are advised that at the present time the rate is quite low on self unloader boats, ranging from sixty-five to eighty-five cents, depending on which concern furnishes the boat.

Mr. ARMSTRONG: That includes the rate of transportation?

Mr. McWILLIAMS: Transportation, yes.

By Mr. Armstrong:

Q. What other suggestions have you to offer; these are worth while?—A. We have the suggestion that wherever this coal is delivered, we would like it to come to Owen Sound, but wherever it is delivered that briquetting plants should be established at that place to take care of the degradation.

[Mr. A. J. Creighton and Mr. R. H. McWilliams.]

By the Chairman:

Q. Will you state, approximately, how much degradation there would be on coal handled in that way to Owen Sound?—A. I cannot; I can only give you an opinion on that.

By Mr. Armstrong:

Q. How much degradation did you estimate on the coal you received from the United States?—A. There would probably be ten per cent.

By the Chairman:

Q. What volume of coal would you have to handle at the point you mention to warrant the expenditure of erecting a briquetting plant?—A. I think you could start off with 500,000 tons in the first season, half a million tons.

By Mr. Armstrong:

Q. Five hundred thousand tons?—A. Yes. That coal must be handled through the trade, through the dealers. The dealers in the coal business they have their money invested in their business. They are equipped to handle coal and they must be allowed a reasonable margin for handling that coal. I will make the suggestion, if you think fit, what the maximum would be.

Q. Based upon what experience, Mr. Creighton?—A. Based upon the experience that I have had in the last ten years in particular; on account of the soaring of the price of coal, the consumer must be protected. The consumer has not been protected. The retailer must be protected.

Q. At whose expense has the consumer or the retailer not been protected?—A. At the expense of the operators and the jobbers. The line companies on the other side have been short of cars but with an abundance of orders and have not been able to supply regular dealers with the coal which they were requiring, but it has been passed out of the back door and the side door to the jobber and the price is raised from \$2 to as high as \$5 per ton.

Q. That was under abnormal conditions?—A. Yes. I think there should be restrictions put on the operator so that he cannot soar those prices or put them up in any other way just the same as was done last fall on the first of September when the anthracite strike came on. Coke was then selling at \$6; I was paying \$6.40 a ton at Buffalo for coke. Coke got up as high as \$13. I paid \$11.50 for coke in February myself, and it was not prepared size at that price, it was not broken at all. I got it at \$11.50 from my friend, John Fraser, who wrote one of those letters, by taking three cars. Shortly after that the strike was ended and coke began to come down and anthracite began to run and as a consequence I have one of those cars of that large coke on my hands for which I paid \$11.50 and freight, and I am buying it now for \$6.50, prepared size. So I think those things should be looked after.

Q. But that was in time of stress?—A. Yes. But that is the time when the public want to be protected.

By Mr. Bury:

Q. Where was this briquette made?—A. In the Lycken Valley district, from the Lycken Valley mines.

Q. What is slack selling for at the briquetting plants?—A. I could not tell you that. That is made from the refuse of the Lycken Valley.

By Mr. Bury:

Q. Anthracite?—A. Yes, anthracite.

By Mr. Armstrong:

Q. What proportion of binder is in it?—A. I cannot tell you the proportion but the binder is corn starch and ashphaltum.

[Mr. A. J. Creighton and Mr. R. H. McWilliams.]

By Mr. Bury:

Q. How does that stand trans-shipment, better than coal?—A. Well, equally as good as coal.

Q. Equally as good as anthracite coal?—A. Yes.

Q. Better than bituminous coal?—A. Yes, better than bituminous coal.

Q. What about bituminous briquettes, would they stand trans-shipment and handling as well as or better than bituminous coal?—A. I have never seen any bituminous briquettes made.

Q. They do not make them?—A. I do not think so.

Mr. McWILLIAMS: I would like to get back to the head of the lakes, because I think that is the most important end of it. This tonnage is going to occur, there is no question about that. I was talking with some men in Detroit and they told me they will be burning Alberta coal inside of ten years, that is their prediction. In handling coal from Alberta to the Province of Ontario; there is two and a half million tons of domestic fuel used in the central region of the Province of Ontario; to handle two and a half millions—I am just putting that at the outside—or better make it two million tons, you would have to handle fourteen thousand tons of coal a day, that is two hundred and eighty fifty-ton cars a day to bring that in during the water traffic season, into the Province of Ontario. Now, to handle two million tons or two and a half million tons all rail, which, if anybody is thinking of handling Alberta coal all rail from Alberta at a profit, forget about it, there will be no coal from Alberta. You have either got to handle it through the natural channels and through the course of least resistance, in the natural channels of grain, or you will never handle any Alberta coal. Now, if you would handle two millions and a half tons all rail from Alberta it would take 62,500 cars one trip a year, just to load them and run them. You would get out of those cars at the outside six trips in the year, no more. Six trips is 300 tons; if you are getting seven dollars a ton you would only make \$2.10 out of a car. The railroads would starve to death on that, they could make no money on that. If you take and reduce that this way, and put five thousand cars at the head of the lakes and five thousand cars at Owen Sound, or ten thousand cars, you will handle the whole equipment.

By the Chairman:

Q. On the basis of how many tons?

Mr. McWILLIAMS: On the basis of two millions or two million and a half tons. If you will bring that down to the head of the lakes, dump it direct into self unloaders that carry seven thousand tons—I would say make the equipment right if you are going into a commercial business—you will save \$20,000,000 for the Dominion of Canada per year. If we start with one boat of 7,000 tons, it will make five trips. Now, we will get at the price; that boat will make five trips a month into Owen Sound. Five times seven is thirty-five. Let us say one dollar—I am just giving the figures so you men can grasp that—that is \$35,000 a month that that boat will make. It costs \$15,000 to operate her, for overhead and all, and I know what I am talking about.

The CHAIRMAN: From what experience?

Mr. McWILLIAMS: I am in the stone business and I just come over from where they are handling fifty-four thousand tons of stone a day, from Rogers, Michigan, that is the biggest stone quarry in the world. They have got the biggest unloading boats operating; the last boat they built carries 15,000 tons of stone and she unloads it at 1,500 tons an hour. That is how she handles stone. The arm is 150 feet long and before she is lashed to the dock and they throw the lines off, that arm is out like that (indicating), and the machinery is

all running. That arm is turned out over the dock and it will load directly into cars or load direct into the stock pile and will unload that at the rate of 1,500 tons an hour.

The CHAIRMAN: In open cars?

Mr. McWILLIAMS: Into open cars, or into stock pile.

Mr. BURY: Will you come back to your figures?

Mr. McWILLIAMS: Oh, I am going to come back to that. They were saying that if we would take a start at the mines and put in first class equipment, steel car equipment, up there, between fifty to seventy tons, and bring them down to the head of the lakes and put in a tippie there they would handle forty cars an hour—they handle a car every minute and a half. That is, released into the boat, and then the boat leaves, and these cars go back again. Now, to handle a 7,000 ton boat—to make these figures short—it would take 140 50-ton cars. If you had four or five sets of these, it would start it off; you would have a set at the mines of 140 cars; you would have a set running, that would be two; you would have a set at the head of the lakes, that would be three; and then have an extra set for slipping in here and there, or four sets, about 600 50, 60, or 70 ton cars with which to start business. What would that do? That would give us in the season 35,000 tons a month, and for seven months would give you a little over 200,000 tons, in rough figures. In Ontario, the railroads could use any equipment they have in use, because it is all a short haul; anything that is a flat car, a 20-ton car, a 30-ton car, or a 40-ton car, or anything that would go out to your ten mile market, your 15 mile market, your 20 mile market, or to Toronto, which uses 1,000,000 tons of domestic fuel per year; London uses about 75,000 tons, Guelph uses about 45,000 tons a year, and so on, and then these cars would shuttle back to Owen Sound, so you would eliminate the car haulage of 900 miles from the head of the lakes to Ontario, and 900 miles back again with the empty cars, or a total of 1,800 miles.

When we sent that to Sir Henry Thornton, it must have appealed to him, because he made no delay in having Mr. Warren come and see us at Owen Sound, and take up the matter. We put up the matter to him in a brief way, so as to get at the head of the lakes what was wanted; if it were necessary to open up this trade, the grain carriers could handle it, and then you could put your Brown hoist on it—you (the Chairman) and Mr. Armstrong will be familiar with the docks at Sarnia where they have a Brown hoist with five clamps on it, and it will take a steel boat and unload it anywhere from twenty-four to forty-eight hours directly into cars. That could be done with Alberta coal coming down too, but this will be on a permanent business; it is an absolute necessity, and it is all our own, and we have got to get big enough to see that exactly as it is, and quit talking this nonsense of box cars, because if you have a box car, you have to wheel the stuff in, and you have to wheel it out again.

The CHAIRMAN: Just one word there, before you go any further. You are satisfied that Drumheller lignite coal can be hauled in open cars from the mines to the head of the lakes, transferred into boats with your system, distributed into the section of Ontario which you have just mentioned, without sufficient deterioration or degradation to make it unprofitable?

Mr. McWILLIAMS: If it were, in a general way, disintegrated, and I speak commercially now—you can briquette it, and you have got the market anyhow. We have to go by precedence all the time to make a success of anything, and the big mines in Pennsylvania have their briquetting plant right at the hard coal mines where they are screening, etc.

The CHAIRMAN: I will put my question in another way. You do not consider that coal can be handled without a briquetting plant at the point of trans-shipment?

[Mr. A. J. Creighton and Mr. R. H. McWilliams.]

Mr. McWILLIAMS: You know, Mr. Lapierre, I would not say that, and for this reason: Mr. Creighton is a practical coal man, and we have a lot of coal coming in; we use about 12,000 tons a year at Owen Sound—it averages about one ton to the individual; that is what they base their calculation on—

The CHAIRMAN: In your opinion, a briquetting plant would be a necessity?

Mr. McWILLIAMS: I would go farther on that, and I would make this statement. Mr. Creighton and I took up the matter with Mr. Stuchbury—he has the letter and we have a copy of it—in which we stated to Mr. Stuchbury that we would like the Alberta government to consider the question of equipping at the head of the lakes—because the miners will take care of that—and to make a direct charge of twenty-five cents per ton until this equipment is paid for.

Mr. BURY: You mean the loading facilities?

Mr. McWILLIAMS: Yes, to put the loading tattle in at the head of the lakes, and at Owen Sound, if that would meet with their approval, and we would like to hear from them, and in the meantime we would take it up with the Ontario government, and ask them to look into the feasibility of installing a briquetting plant, and make a direct toll charge on that of twenty-five cents a ton, if necessary. Then the government would be capable of producing,—or they would have the loading equipment at the head of the lakes capable of handling this coal. Then, if you are handling, we will say, 100,000 tons at Owen Sound, and you are giving the government twenty-five cents a ton, it amounts to \$25,000; if you get up to 2,000,000 tons, you are talking real figures, and you are giving them that \$500,000 a year, and it would not take long to pay for all the equipment you would want to put in, but we must take figures to make it absolutely big enough and broad enough so that they could be pruned, where you want to prune them.

Mr. ARMSTRONG: Have you the facilities at Owen Sound for handling the coal in the manner you have just described—for trans-shipment?

Mr. McWILLIAMS: Oh yes. Another thing we laid before Sir Henry Thornton—we have the best harbour on fresh water; we were two weeks earlier in opening up this year than any other harbour on the lakes; the first grain boat came from Chicago and the next from Milwaukee, etc.,—and we laid before Sir Henry Thornton, in a letter, the statement about our harbour. We said “You just built a new elevator there last year, a one million bushel elevator. On that side you have 25 acres north of your elevator, and it will take another 100 acres along with that for trackage and dock facilities, and if this will prove a commercial success in handling it, you have all that property and everything right on the water front, on deep water. It is all mud bottom. That would all be available at a very modest price. Our city is anxious to get anything in there, and the property is not being used, and it is all water front property, and we have the same on the east side of the harbour—the C.P.R. side.”

Mr. ARMSTRONG: The Dominion government would not have to make extensive expenditures in order to bring this about?

Mr. McWILLIAMS: No; they would put in whatever dockage would be required; the Ontario government would put in a briquetting plant; the Alberta government would take care of the head of the lakes, then say to your railroad: “All you have to do is to haul this coal; you are making no outlay. What is your rate?” And it would be charged at the mines? Well, Mr. Creighton will take that up.

Mr. CREIGHTON: Mr. Brownlee, the Premier of Alberta, made the statement that if the quantities were being produced, they could make an arrangement with their miners to give them employment; which they are not getting to-day. The lowest price I had for Alberta coal was \$3.50 at the mines. That is, for Black Diamond, and Evansburgh, Alberta; those are two places I got coal from, and the price was \$3.50 at the mine.

By Mr. Bury:

Q. How did you find that Black Diamond coal?—A. I found it good.

Q. Did you find much degradation from it?—A. No, not very much.

By the Chairman:

Q. Are you satisfied it could be shipped in open cars to the head of the Lakes?—A. Yes.

Q. And delivered to you in Owen Sound in good condition, without necessitating a briquetting plant?—A. No, I think a briquetting plant would be necessary.

By Mr. Armstrong:

Q. That is, if there were a large volume?—A. Yes.

Q. In your experience in the handling of coal at the large docks on the American side of Lake Erie, did you find that there was much degradation in the handling of that coal from the cars into the boats?

Mr. McWILLIAMS: There is not any; that is clean.

Mr. CREIGHTON: The degradation is produced after it leaves the car, dumping it into the boat, then coming via boat and being dumped onto the dock or into the car.

Q. That is what makes the degradation?—A. Yes.

Q. The degradation of Alberta coal would not be any greater than the degradation of American coal, would it?—A. I do not think so, but I have not had experience, therefore, I want to be absolutely within the mark.

By the Chairman:

Q. That coal would be trans-shipped at the head of the lakes?—A. Yes.

Q. What would be the proportion, in your estimation, at that point, in the handling of that coal, at the initial point of trans-shipment at Fort William?—A. Practically nil.

By Mr. Armstrong:

Q. With these car dumpers, in dumping large cars of coal, we will say 75 to 100 ton cars, I am informed that the degradation is much less by dumping the large cars than it is if that same car was run out on a trestle and dumped in that manner. Do you believe that to be correct?—A. There would not be very much difference.

By the Chairman:

Q. Mr. Creighton, you claim that at the head of the Lakes, the first handling of the coal would not degrade the coal to any great extent?—A. No.

Q. Any degradation would be in the handling at Owen Sound?—A. Yes.

Q. What do you say would be the degradation from the second handling at Owen Sound?—A. As I have said, I am not speaking from experience, but from the correspondence, which I have not got here, I learned from inquiry from a firm in Toronto who are handling Welsh coal, in reply to my question about the degradation, they said they would guarantee it would not be over 20 per cent.

By the Chairman:

Q. Would you be prepared to make a statement that Alberta coal landed in Owen Sound would not be degraded any more than 20 per cent?—A. I could not make that statement, but I do not think it would.

Mr. HOWDEN: It would be exposed to two handlings after that.

The CHAIRMAN: I am only concerned with it landing at Owen Sound.

[Mr. A. J. Creighton and Mr. R. H. McWilliams.]

By Mr. Bury:

Q. Do you know Duluth?

Mr. McWILLIAMS: Yes, sir.

By Mr. Armstrong:

Q. There is an awful difference between unloading coal into a boat at Fort William or Port Arthur, and unloading coal by up-to-date appliances, we will say by belt, by which method the degradation will not amount to more than perhaps 2 per cent, as compared with 20 per cent in the former case?—A. Yes, you would not get it down to 2 per cent; the dropping of that coal onto the pile, that coal will drop all the way from 15 to 20 feet.

Q. You can regulate the distance of the drop?—A. Yes, but you cannot regulate that conveyer below the rail of the vessel. As you unload the vessel, it rises in the water, and the pile is coming up along with it.

Q. That is true, but still that carrier, as I understand it, is regulated in the same way as carriers are regulated on threshing machines?—A. Yes.

By the Chairman:

Q. Would you not like to correct the statement you made that there would not be any degradation at all, that it would be nil at the head of the lakes?—A. Well, when I say there would be no degradation, you could sweep it up with a broom.

The CHAIRMAN: But there would be some degradation?

Mr. McWILLIAMS: If you take that car, and dump it into the boat, that car goes back, and is clear—away she goes—there is no degradation there. We found degradation to be at the point of discharge.

By the Chairman:

Q. Wherever the coal is lifted?—A. Wherever it is discharged.

Mr. CREIGHTON: In the cars we got this winter, there was not sufficient degradation to have to screen it.

Q. Coal from Drumheller?—A. Yes, from Drumheller; there was not a pound of it screened.

Mr. BURY: That is practical experience.

By Mr. Howden:

Q. What was the destination of that coal?—A. Owen Sound.

By Mr. Armstrong:

Q. Would you mind letting Mr. McWilliams complete his statement for the record?

Mr. McWILLIAMS: I was speaking of Owen Sound as being the centre of distribution. Owen Sound has the C.P.R. and C.N.R. and interswitching. Owen Sound is 120 miles from Toronto, which consumes a million tons of domestic fuel each year. Owen Sound is about 120 miles from London, and St. Mary's. To put it more specifically, Owen Sound is right in the centre of the Ontario consuming market for domestic fuel, which market consumes two million and a half tons annually. And along with that, Owen Sound is prepared to do things, if you want that in your statement.

By Mr. Armstrong:

Q. Prepared to assist?

Mr. McWILLIAMS: (Answering) Yes, in every way.

Mr. FLEMMING: Can we get the approximate cost of this coal laid down at specified places in the province of Ontario? Let us start with the cost at the mine, at Edmonton or Drumheller. Mr. Creighton has told us that he had reason to believe that his price of \$3.50 per ton could be reduced fifty cents.

Mr. CREIGHTON: Yes, to \$3.

Mr. FLEMMING: Then, we would start with \$3?

Mr. ARMSTRONG: \$3 a ton at the mine?

Mr. CREIGHTON: Yes, at the mine.

By Mr. Flemming:

Q. Mr. Creighton, what do you put down as the reasonable cost of conveying it from there to Port Arthur?

Mr. CREIGHTON (answering): Well, I will rest on that price of \$3. Now, if you will permit me, I would ask that the reporter not put this down.

The CHAIRMAN: Well then, you had better not give the evidence, Mr. Creighton.

Mr. CREIGHTON: I just make the suggestion because the railway company might use it. The suggestion was thrown out as to how much will it stand.

Mr. McWILLIAMS: That was asked, "how much will it stand?"

Mr. BURY: That is the principle of freight rates.

Mr. McWILLIAMS: That is not fair, that is not British and not Canadian, "how much will she stand?"

Mr. ARMSTRONG: Then, Mr. Chairman, is it understood that these statements are eliminated?

The CHAIRMAN: No; as being made by Mr. Creighton. You are satisfied that the statement stands at \$3?

The WITNESS: Yes.

By Mr. Flemming:

Q. Let us proceed. Your suggestion is that \$3 would convey it?—A. Yes

Q. To Fort William or Port Arthur, the head of the lakes. Now, from there to Owen Sound, cost of loading and unloading included.

Mr. ARMSTRONG: Fifty-eight cents.

Mr. McWILLIAMS: We will make that one dollar.

Mr. ARMSTRONG: Why make it one dollar?

The WITNESS: Mr. Cuttle's figure does not include unloading.

Mr. CANTLEY: Pardon me, let Mr. Cuttle's evidence stand by itself.

The WITNESS: Make it enough, make it seventy-five cents.

Mr. ARMSTRONG: Why make it that if we have a definite statement from

Mr. CANTLEY: We have two statements; we have one from Mr. Cuttle and we have another from another man.

The CHAIRMAN: We cannot expect our witnesses to be all of the same opinion.

Mr. FLEMMING: We are trying to get a price now from the evidence of Mr. Creighton. Now, what does he say it will cost to convey coal from Fort William to Owen Sound?

Mr. CREIGHTON: Seventy-five cents.

By Mr. Flemming:

Q. Are you familiar with the present coal rates to various points, say to Toronto?—A. (Mr. Creighton answering). I am familiar with the present rate

[Mr. A. J. Creighton and Mr. R. H. McWilliams.]

from the bridge, from the border to the districts in Ontario and we are satisfied to take that rate, just reverse it out of Owen Sound instead of into Owen Sound. Mr. Warren said there was a precedent for that and that could be established.

Q. What would be the rate then from Owen Sound to Toronto?—A. To Toronto, about \$1.20.

Q. Then the items that you have given us; \$3 at the mines, \$3 to Fort William, seventy-five cents to Owen Sound, and \$1.20 to Toronto, would lay your coal down f.o.b. cars Toronto?—A. Yes.

Mr. BURY: And then include handling charges at the different points?

Mr. CREIGHTON: That is f.o.b. at the destination.

The CHAIRMAN: F.o.b. alongside Owen Sound.

Mr. CREIGHTON: This is Toronto.

By Mr. Flemming:

Q. That would be a total of \$7.95?—A. Yes.

Q. F.o.b. cars Toronto?

Q. To that you would have to plus a profit for the coal dealer and the cost of distribution to get the price to the consumer?—A. Well, I would suggest that you keep to Mr. McGrath's figures, when he was Fuel Controller, of \$3.50 to the dealer. That is his profit and the cost of distribution and everything. That does not say that he has got to charge that, let him charge as much less as he likes.

By Mr. Armstrong:

Q. The competition will do that.—A. Circumstances alter cases. There are circumstances over which you have got to allow—

The CHAIRMAN: Just continue with Mr. Flemming.

By Mr. Flemming:

Q. To start at the beginning we have three dollars at the mine?—A. Yes.

Q. \$3 to Fort William?—A. Yes.

Q. Seventy-five cents to Owen Sound?—A. Yes.

Q. \$1.20 to Toronto?—A. Yes.

Q. And \$3.50 to cover dealers' profit and the cost of distribution?—A. Yes.

Q. Making a total of \$11.45?—A. Yes.

Q. You consider that is a reasonable figure?—A. Yes.

By Mr. Armstrong:

Q. How much coal can you handle at those rates; how much coal do you suppose you could sell?

The CHAIRMAN: \$11.50 Mr. Flemming is the price we have arrived at as the price of landing Alberta coal in Toronto.

The WITNESS: We were not far out.

By Mr. Armstrong:

Q. How many tons of coal do you suppose the Government would be justified in arranging for?

The CHAIRMAN: For the restricted area in Ontario.

By Mr. Armstrong:

Q. For the restricted area in Ontario?—A. I am satisfied to start off next season with, half a million tons. You understand, this season is pretty well shot; there are a lot of people filled up with their anthracite coal.

Q. That is only one fifth the domestic consumption of Ontario?—A. Yes; and that would be increased every year.

By the Chairman:

Q. At what rate, approximately?—A. Well, not less than twenty-five per cent, until you capture the trade. I am making that light.

By Mr. Armstrong:

Q. Another important question I want to ask. Providing that we can this season deliver several boat loads of coal as tests, say from Duluth, we can arrange to have the coal taken to Duluth and dumped there. Have you been there?

Mr. McWILLIAMS: Yes, I know the harbour. You would use American bottoms.

Mr. ARMSTRONG: Put it in American bottoms and bring it, we will say, to Owen Sound.

Mr. McWILLIAMS: Because there is a boat just arrived from Duluth with 250,000 bushels of wheat last week.

Mr. ARMSTRONG: Direct to Owen Sound?

Mr. McWILLIAMS: Direct from Duluth to Owen Sound.

The CHAIRMAN: Would you make this experimental shipment?

Mr. ARMSTRONG: Yes, that is what I meant.

By Mr. Armstrong:

Q. That could be arranged for this present season, could it not?—A. Yes.

Q. And it could be handled expeditiously at Owen Sound, could it not?—A. Sure.

Q. You have coal handling facilities there?—A. Yes.

Q. And if the boat was equipped with up-to-date machinery it would unload itself?

Mr. McWILLIAMS: Self unloaders.

Mr. CREIGHTON: That is what I was going to suggest getting an American boat, you get self unloaders.

By Mr. Armstrong:

Q. And then we would have a definite idea of whether the proposition is worth undertaking or not?

Mr. McWILLIAMS: If you get self unloaders we could handle through Mr. Madden. We could get him over to get in touch with the people or you could get—

Mr. CREIGHTON: Let the Government do that, I do not want to get in too far.

Mr. McWILLIAMS: There is one boat, the *Wyandotte* 2,800 tons, and the *Huron* 5,000 tons. That self-unloader would dump it in pile at Owen Sound, and then re-handle it on to cars if you did not handle it direct on to the cars from the boat.

Mr. BURY: That is what I had in mind.

Mr. McWILLIAMS: We could load into the cars direct, if we had the customers to take them away.

Mr. ARMSTRONG: It would be no expense, as far as the experiment is concerned, at Owen Sound?

Mr. McWILLIAMS: No.

[Mr. A. J. Creighton and Mr. R. H. McWilliams.]

Mr. ARMSTRONG: There would be no trouble in handling a few boat loads this season?

Mr. McWILLIAMS: Not a bit. We will give you the space for unloading that, and all you will have to pay will be the direct handling charges from the stock pile to the cars.

Mr. BURY: May I now ask a question which I have been trying to ask twice, and have been stopped. Do you know Duluth?

Mr. McWILLIAMS: Yes sir.

Mr. BURY: I was told by Mr. Hungerford this morning that there is at Duluth no loading machinery, that it is all unloading.

Mr. McWILLIAMS: I will tell you what they do at Duluth. The ore comes from Hibbing, Minnesota, which has the largest ore mines in the world, and they run solid trains of ore through to Duluth, and dump them directly into the boats, the same as they handle coal at Lake Erie ports. They have everything.

Mr. BURY: Have they everything for loading facilities, but they are using the dock for ore?

Mr. McWILLIAMS: Yes sir. They are not using the unloaders for ore.

Mr. ARMSTRONG: There you are.

Mr. BURY: Let me finish my question, please. I want to get the facts. Now, Mr. McWilliams, will you kindly tell me what the facts are? At Duluth, you say—

Mr. McWILLIAMS: They run the ore from Hibbing, Minnesota, to Duluth, in 50 to 75 and 80 ton cars, and they are put on a tippie and discharged directly into the boats.

Mr. BURY: Are they, at the present time, at Duluth, unloading coal with the equipment they have there—— loading, I mean?

Mr. McWILLIAMS: You send the coal up the lake; they have no coal there; they send the coal up the lake.

Mr. BURY: They are not, at the present time, using this on coal?

Mr. McWILLIAMS: I cannot follow you there, because I do not know why you should want to use them there.

Mr. BURY: I will tell you why; the suggestion is that we send a shipment of coal from the Alberta coal fields to Duluth.

Mr. McWILLIAMS: Duluth or West Superior; either one or the other.

Mr. BURY: All right. I am dealing now with a suggestion put before this committee before you were in the room; the suggestion was made some days ago to send a shipment of coal from the Alberta fields to Duluth, to load by this machinery at Duluth, on a self-loading boat. My question is, are they now using these machines at Duluth, for coal?

Mr. McWILLIAMS: No.

By Mr. Bury:

Q. They are not using them now for coal?—A. No, because there is not any.

Q. What I want to get at is this: for unloading coal they would have to use the machinery that is now used for unloading ore?—A. Exactly.

Q. I am asking you that because it is Mr. Hungerford's statement to me, and I want to check it up. Now, in using tuttles for loading coal, are they precisely the same class of machinery that is used for loading coal in other ports?—A. Approximately.

Q. They are no more severe on the coal?—A. No.

Q. What I want to get at is this: we want to make a test via Duluth, and unless that machine they propose to use at Duluth is to be a normal coal-loading machine, it is not a test. We do not want to use a machine that will be harder on the coal, and cause more degradation, because we will measure the degradation?—A. I would suggest that this Committee wire to the dock company at Duluth, and ask them what the facilities are for handling coal into the boats, and what the drop is. You can explain why you want the information.

By the Chairman:

Q. There is not, at the present time, machinery at Duluth that could give us a test that would be a fair average for future shipments?—A. I never noticed particularly whether that apparatus for handling the ore is a little higher than the apparatus for handling coal.

Mr. BURY: That is the very point I am at.

By Mr. Bury:

Q. That is my point. I am interested in Alberta coal. I do not want to make a test with regard to Alberta coal via Duluth if the machinery at Duluth will not be satisfactory?—A. Mr. Stutchbury, who has taken charge of the coal situation there, can go to Duluth and bring back direct information in that way.

By the Chairman:

Q. Just answer the question. You do not know what machinery there is at Duluth?—A. No.

By Mr. Bury:

Q. You do not know whether it would be harder on the coal or not?—A. No.

Mr. ARMSTRONG: Why are you trying to get the witness to say something he does not want to?

Mr. BURY: I have not tried to put an answer in the mouth of any witness since I have been on this Committee; but I have heard members of the Committee who have done it.

Mr. ARMSTRONG: The position is simply this: I am responsible for making this proposition, and my information is to the effect that at Duluth there now stands a thoroughly up-to-date iron ore unloader.

Mr. McWILLIAMS: The best in the world.

Mr. ARMSTRONG: And that unloader is just as capable of handling coal as it is of handling iron ore.

Mr. McWILLIAMS: I think you are right.

Mr. ARMSTRONG: That unloader is not in use, from what I can learn, because the iron ore is unloaded into the boats at another point. I understand that unloader has been idle, and it may be acquired for the purpose of making these tests.

Mr. McWILLIAMS: That may be so too.

By the Chairman:

Q. It might be so?—A. It might be so.

[Mr. A. J. Creighton and Mr. R. H. McWilliams.]

By Mr. Armstrong:

Q. And you are satisfied that up-to-date unloaders, such as are being used in the handling of ore would be satisfactory to unload coal into boats?
—A. There is no question about it.

Mr. ARMSTRONG: That would be satisfactory to unload coal into the boats?

Mr. McWILLIAMS: There is no question about that.

Mr. CANTLEY: May I ask one question, and then I am through with these gentlemen. Both of them I think, have made reference to the briquetting. May I ask if they know what the cost of a briquetting plant would be, for an installation such as they propose, and what the cost of the operation would be, of the briquetting?

Mr. McWILLIAMS: What we did, we tried to get that to bring that to you in detailed form but it was impossible in the time to get it. We thought that we would make that suggestion direct to yourselves, for you to make that inquiry direct from the other side.

Mr. CANTLEY: Do you know the cost of briquetting?

Mr. McWILLIAMS: No, because I would not make that statement, nor would Mr. Creighton make it; it is going on those books and it has got to be authoritative.

Mr. CANTLEY: I think it should be got and put on the books.

The CHAIRMAN: I will consider that suggestion.

Mr. BURY: You have answered Mr. Armstrong that this tippie, or whatever it is, at Duluth, self-loading machines at Duluth, is as capable of handling coal as it is of handling ore. I do not question that; but are you prepared to say that it is as capable of handling coal carefully, with reasonable care, as the proper coal loading machine?

Mr. McWILLIAMS: No.

Mr. BURY: That is what I want to get.

Mr. HOWDEN: I am just a little at a loss about one point in this proposed shipment.

Mr. McWILLIAMS: There is not any difference in handling—if you ask me a question direct I have got to answer that way—but there is no difference in the machines and handling.

Mr. CREIGHTON: They are similar.

Mr. BURY: I know that.

Mr. ARMSTRONG: They might not just have the equipment for putting coal into the boat.

Mr. CANTLEY: You are both skating ail around the point. The fact is that ore is a material that does not become deteriorated by handling because the structure is harder. If you handle coal through the same apparatus you will destroy it.

Mr. BURY: That is the point.

Mr. ARMSTRONG: Yes. But these tipples are exactly the same, all but the chute that perhaps goes into the boat.

Mr. CANTLEY: All but the chute; that is a great difference.

Mr. FLEMMING: I would like to ask one question.

Mr. HOWDEN: It was with regard to this proposed shipment, and I understand that there is a contemplated rate of three dollars to the head of the lakes. Is that an understood and agreed fact of the railway officials?

The CHAIRMAN: Absolutely not, sir.

Mr. CANTLEY: A suggested rate.

Mr. FLEMMING: It is a suggested rate.

The CHAIRMAN: As a matter of fact, we cannot go into freight rates.

Mr. BURY: It is his claim as to what a fair rate would be.

Mr. FLEMMING: That is the idea.

The CHAIRMAN: Based on his own experience.

Mr. FLEMMING: I just want to ask Mr. Creighton another question. Are there any proper facilities now for handling at the head of the lakes, at Fort William?

Mr. CREIGHTON: No, none that we know of.

Mr. McWILLIAMS: There is no tipple at the head of the lakes.

Witness retired.

ADDENDA.

1. Statements *re* Census of Cars, also Coal Consumption of Trains in Western Region, Canadian National Railways, by Mr. Crombie, Chief of Transportation.
2. Statement of Output of Coal, etc., by the Bras d'Or Coal Company, Nova Scotia, by Mr. Burchell, Managing Director.
3. Statement of Output of Coal, etc., by The Intercolonial Coal Mining Company, Westville, N.S., by Mr. Wm. Maxwell, General Manager.

SPECIAL COMMITTEE

CANADIAN NATIONAL RAILWAYS
OPERATION AND CONSTRUCTION DEPARTMENTS
TRANSPORTATION SECTION

MONTREAL, QUE., June 10, 1926.

File 623.1.2.

To the Committee investigating Coal Resources of Canada, etc., House of Commons, Ottawa.

Referring to the question concerning the total number of box cars, and the number in bad order on our Western Region.

The census of June 1 shows we have on the Western Region the following:—

Box..	31,306
Auto..	716
Stock..	2,593
Refrigerator..	702
<hr/>	
Total, closed cars..	35,317

Cars in bad order on the Western Region shows as follows:—

Box..	1,725
Auto..	11
Stock..	112
Refrigerator..	43
<hr/>	
Total, bad order cars..	1,891

The Committee may desire to have this more accurate information on this point.

Yours truly,

D. CROMBIE,
Chief of Transportation.

CANADIAN NATIONAL RAILWAYS
OPERATION AND CONSTRUCTION DEPARTMENTS
TRANSPORTATION SECTION

MONTREAL, QUE., June 11, 1926.

File 623.1.2.

To the Committee investigating Coal Resources of Canada, etc., House of Commons, Ottawa.

In connection with the request of Colonel Cantley for a statement of the coal consumption for a loaded train as compared with an empty train, Mr. V. I. Smart, Operating Engineer of our Bureau of Economics, advises me that using the Western Region figures for the month of October, 1925, the coal consumption per train mile for the two trains would be:—

50 cars x 50 tons Loaded—2,800 tons—267.4 pounds coal per train mile.
50 cars x 20 tons Empty—1,000 tons—193.0 pounds coal per train mile.

This assumes a 50 car train each car weighing 20 tons have 36 tons coal contents, gross weight of loaded car 56 tons.

Yours truly,

D. CROMBIE,
Chief of Transportation.

STATEMENT SUBMITTED BY GEORGE B. BURCHELL, PRESIDENT, BRAS d'OR
COAL COMPANY

June 16, 1926

OUTPUT

GROSS TONS

	1922	1923	1924	1925	1926	Days	
January.....	8,569	10,790	11,837	8,538	5,211	14	1925 Capacity 150,000 Tons Output 80,143 Tons 53%
February.....	7,795	10,368	12,701	7,069	4,458	12	
March.....	9,736	9,685	7,102	8,902	6,886	20	
April.....	8,451	8,193	5,447	7,101	5,053	15	
May.....	7,172	7,695	3,677	8,329	4,219	13	
June.....	7,909	9,080	5,066	6,763			
July.....	7,195	5,094	4,042	4,733			
August.....	6,443	10,353	2,552	4,938			
September.....	10,131	10,480	3,227	5,072			
October.....	15,044	9,143	3,743	5,985			
November.....	12,694	4,170	3,642	6,403			
December.....	13,983	6,990	5,308	6,310			
	115,122	102,041	68,344	80,143			
	223	222	227	222	Days		

SHIPMENTS 1925

	Screened	R/Mine C.N.R.	Nut	Slack	Total
Railway.....		23,586			23,586
N.S., Rail.....	6,588	12,385	1,647	4,852	25,472
N.S., Water.....	2,158	796	26		2,980
N.B., Rail.....	152	12,446	325	5,484	18,407
Que., Rail.....	29	79			108
Nfld., Water.....		1,015			1,015
P.E.I., Water.....	463	774	93		1,330
Cape Race, Water.....	852				852
M.I., Water.....	280				280
Bunker.....		5,166	119		5,285
Boilers.....		235			235
Workers.....		593			593
	10,522	57,075	2,210	10,336	80,143

		Gross	Net	
Screened.....	10,522	6 00	5 34	Price F.O.B. vessels.
Run Mine.....	57,075	4 88	4 33	
Nut.....	2,210	5 50	4 95	
Slack.....	10,366	2 25	2 00	
	80,143	4 72	4 20	

SPECIAL COMMITTEE

N.S. Rail	1925 Freight		N.B. Rail	1925 Freight	
	Tons	Rate		Tons	Rate
		\$ cts.			\$ cts.
Halifax.....	14,984	2 00	Edmundston.....	14 478	2 80
Truro.....	650	2 00	St. John.....	3,449	2 60
Sydney.....	1,848	0 70	Campbellton.....	67	2 80
North Sydney.....	1,442	0 60	Nelson.....	145	2 50
Wolfville.....	1,168	2 90	Newcastle.....	81	2 50
Yarmouth.....	254	3 00	Fredericton.....	96	2 90
Antigonish.....	723	1 70	Chatham.....	30	2 50
Iona.....	845	1 10	St. Leonards.....	31	2 80
Mulgrave.....	326	1 60	Sussex.....	30	2 60
Hawkesbury.....	392	1 60			
Pt. Tupper.....	118	1 60		18,407	
St. Peter's.....	256	2 30			
Pictou.....	211	1 90	Quebec Rail		
Windsor.....	299	2 90			
Grand Narrows.....	261	1 10	Matapedia.....	71	2 80
Chester.....	86	2 50	Quebec.....	37	4 20
Middleton.....	241	2 70			
Ottawa Brook.....	285	1 20		108	
Mahone.....	102	2 60			
Muquodobout.....	44	2 50	P.E.I.		
Liverpool.....	29	2 70			
Weymouth.....	34	3 40	Georgetown.....	323	1 80
Shelburne.....	38	2 80	Summerside.....	266	1 80
Annapolis.....	39	3 30	Victoria.....	278	1 80
Bridgewater.....	32	2 60	Souris.....	107	1 80
Lunenburg.....	41	2 60	Minimigash, Special.....	75	3 50
Grand Pre.....	60	2 90	Charlottetown.....	146	
Port Hood.....	65		French River, Special.....	67	3 40
Orangedale.....	96	1 40	Alberton, Special.....	68	3 40
Grand Anse.....	54	1 60			
Christmas Island.....	91	1 10		1,330	
Brookfield.....	34	2 10			
Boisdale.....	73	1 00	Magdeleine Islands.....		3 00
George River.....	66	0 90			
Sundry.....	185				
	25,472				
N.S. Water					
Canso.....	413	1 25			
Margaree.....	140	2 50			
Mulgrave.....	565	1 50			
Smith's Cove.....	69	1 75			
Hawkesbury.....	37				
Port Hood.....	70	1 75			
Inverness.....	133	2 25			
St. Ann's.....	528	1 50			
Whycocomagh.....	109	1 50			
Baddeck.....	361	1 25			
Petit de Gras.....	116				
Eastern Harbour.....	68				
Isaac's Harbour.....	45				
River Bourgeois.....	58				
Little Narrows.....	44				
Sheet Harbour.....	92	2 25			
Cheticamp.....	56				
Sundry.....	76				
	2,980				

THE INTERCOLONIAL COAL MINING COMPANY LIMITED, WESTVILLE,
NOVA SCOTIA, CANADA, JUNE 10th, 1926.

To the Committee investigating Coal Resources of Canada, etc.
House of Commons, Ottawa.

I am enclosing herewith a statement giving the information you ask for.

Yours truly,

Wm. Maxwell,
General Manager.

THE INTERCOLONIAL COAL MINING COMPANY, LIMITED
(Submitted by Wm. Maxwell, General Manager)

Output last year..... 202,300 gross tons
Average per day worked last year..... 838 "
Capacity of plant per day..... 1,000 "
Capacity of plant per year—say 275,000 to 300,000 tons.

Class of coal: Bituminous, suitable for either industrial or domestic purposes.

Private shipments of coal are made as far west as Bathurst, Campbellton, Edmundston, St. John and Fredericton in New Brunswick, and coal is being shipped to New Carlisle to the A. Q. and W. Railway. Last year, coal was shipped to the Temiscouata Railway at Riviere du Loup. We have also shipped coal for the C. N. Railways as far west as Mont Joli. All coal shipped by us for these points has been by rail.

	Approximate distance from Westville miles	Freight Rate	
		Per 100 lbs. cents	Per ton \$ cts.
St. John.....	258	8½	1 70
Fredericton.....	360	11½	2 30
Bathurst.....	290	8½	1 70
Campbellton.....	354	10	2 00
Edmundston.....	490	10½	2 10
Matapedia.....	367	10½	2 10
Mont Joli.....	459	13½	2 70
Riviere du Loup.....	543	13½	2 70
Montreal.....	820	19½	3 90

All coal shipped by rail is sold f.o.b. Siding, C.N.R.

For water shipments, freight from mine into chutes at pier is 35 cents to C. N. R. and 40 cents per ton to private customers. The trimming charge for schooners is 10 cents per ton. Today, we are shipping only to Prince Edward Island by water.

Prices for various grades, f.o.b. our siding. (Dealers 25 cents less).

Nos. 1 and 2 Mixed Coal—	
Screened.....	\$5 65
Run-of-Mine.....	5 15
Slack.....	3 50
No. 1 Coal—	
Screened.....	6 50
Run-of-Mine.....	5 50
Slack.....	3 75
No. 5 Coal—	
Screened.....	6 75
Run-of-Mine.....	5 75
Slack.....	4 00

(The Committee adjourned until 3 p.m. Friday, June 18th.)

COMMITTEE ROOM 436,
HOUSE OF COMMONS,
FRIDAY, June 18th, 1926.

The Special Committee appointed to investigate our present sources of supply of anthracite and bituminous coal, the dependability of such sources and other matters in relation thereto, met at 3 p.m., the Chairman, Mr. Lapierre, presiding.

The CHAIRMAN: Order. I will ask the secretary to read the minutes of our last meeting.

Minutes read.

Mr. BURY: I move the adoption of the minutes.

Mr. CANTLEY: I second the motion.

Motion agreed to.

The CHAIRMAN: Is it the wish of the committee that we should go on with Doctor Camsell who will give us a brief outline of his printed report, which is very voluminous?

Mr. CANTLEY: In regard to the discussion in the matter of whether Canadian coal could be landed at points in the United States, and subsequently shipped as bunkers without payment of duty; a telegram was sent to Washington which I will submit to the committee, together with the reply which is to the effect that no provision is made for importation and subsequent exportation of Canadian coal without payment of duty.

Discussion followed.

Mr. HOWDEN: May we have the telegram and answer read?

Mr. CANTLEY: (Reads):

Night Letter.

OTTAWA, June 16th, 1926.

M. M. MAHONEY,
Department of External Affairs,
British Embassy,
Washington, D.C.

Please advise by wire collect if there are any regulations under the United States Customs regulations that will permit Canadian coal to be entered in bond for the bunkering of steamships of any kind at United States ports and if so what are the limitations stop. Address Chateau Laurier, Ottawa.

(Signed) F. C. CORNELL.

WASHINGTON, D.C., June 17, 1926.

F. C. CORNELL,
Care Colonel Cantley,
Ottawa, Ont.

Wire received in absence Mr. Mahoney have taken up with Customs division who advise that foreign coal for bunkering of steamships would enter United States port under U.S. Tariff item one five four eight no other regulations in effect.

(Signed) EXTERNAL AFFAIRS.

Dr. C. CAMSELL re-called.

By the Chairman:

Q. Have you a general statement to make with regard to this evidence you want included?—A. No, Mr. Chairman, because I did not expect that you wanted me this afternoon until just a minute ago.

Q. But you can in a general way enlighten the Committee upon the evidence you wish added to this report?—A. I have some additional evidence to add to this report that I have submitted to you.

Q. Will you just state in a general way what it is?—A. There were a series of questions asked me when I was before the Committee which I listed here. The first one is "Semi-anthracite deposits of the Groundhog area of British Columbia". I have a short report on that subject. This area lies north of the Grand Trunk Pacific Railway and it covers an area of about 170 square miles and there are coal seams to an aggregate thickness of thirty feet in these series of rocks. No estimate has ever been made and no estimate is possible of the quantity of coal in this area. One can only say that there is a very large quantity of coal in it.

By Mr. Armstrong:

Q. No estimate of the number of tons of coal?—A. That can be measured in millions, probably hundreds of millions.

By Mr. Neill:

Q. Is it good anthracite coal, Doctor?—A. It is semi-anthracite.

Q. Ranking something like Banff?—A. Yes.

By Mr. Cantley:

Q. How does it lie, at what angle?—A. "The coal seams occur at various horizons in rocks known as the Skeena series which in this district underlie an area of approximately 170 square miles. Only a small part of the area, however, is coal-bearing and the rocks have been subjected to complicated folding, thrust-faulting and crushing which has resulted in cutting-off and repeating many of the coal seams and giving them a great divergence in strike and dip in closely related areas, so that the correlating of seams observed is most difficult. As yet only a small amount of development work has been done and although several of the seams have been traced for considerable distances by means of prospect pits the number of points at which the coal has been opened up are far too few to allow of even an approximate estimate of the tonnage of coal present being stated beyond that it probably runs into several hundred million tons."

By Mr. Flemming:

Q. About how far would that area be from the railway?—A. Somewhere in the neighborhood of one hundred miles in an air line from Hazelton.

By Mr. Armstrong:

Q. And how far from the coast?—A. About a similar distance.

By Mr. Bury:

Q. North of the railway line?—A. North of the railway. It is about a similar distance from the head of Observatory Inlet.

By Mr. Armstrong:

Q. Which is a good port?—A. That is the only port that it could come to. Coming the other way it would come to Hazelton on the Grand Trunk, possibly, which is 150 miles inland. The next question was the "Iron ore rates from Duluth, Ashland and Marquette to lower lake Erie ports." The rates on iron

[Dr. Camsell.]

ore from Ashland, Duluth and Marquette to lower lake Erie ports, that is to Cleveland and Toledo; 1923, 80 cents per gross ton; 1925, 70 cents per gross ton; 1926, 70 cents per gross ton. The coal rates from the lower lake Erie ports to the head of the lakes: 1923, 40 cents per net ton; 1925, 35 cents per net ton and 1926, 35 cents per net ton.

Q. Does that include loading and unloading?—A. These are simply freight charges.

Q. By boats?—A. Yes, by boats.

By the Chairman:

Q. For what year?—A. For three years, 1923, 1925 and 1926. The next question was: "Areas in Alberta from which coal should be obtained for the domestic market of Ontario." Now, that is a question which I realize the Committee considers a very important one, but after studying and considering the question pretty carefully, there were so many factors involved in the answer such as the distance from the Ontario market, the thermal value of the coal, the handling qualities, the storage qualities, the moisture contents and the price of the coal at the pit-mouth; in addition to that there is the psychology of the consumer in Ontario. So that it is extremely difficult to balance those various factors and the conclusion that any one might come to would be merely a matter of opinion. But since the previous shipment of coal to the Province of Ontario, the Provincial Government of Alberta was asked to designate the areas. I think that should be the proper course for anybody to follow in future shipments.

Q. Was that not carried out in these trial shipments that were sent from Alberta to Ontario?—A. The Ontario Government designated the areas from which the coal should come.

By Mr. Armstrong:

Q. That means you have no suggestions to make?—A. No.

Q. Could you not give the quality of the coals in the different areas?—A. I can give that, yes.

By Mr. Cantley:

Q. One other question. Could you give the area that is embraced in the district that the Government allows coal to be shipped from?

Mr. BURY: You mean, the areas from which the Alberta Government—

By Mr. Cantley:

Q. Yes. Is taking the responsibility for the present? That will give us the information we asked for.—A. On the last shipment I understand the areas that were selected were the Drumheller, Edmonton and Saunders.

By Mr. Armstrong:

Q. Saunders Creek?—A. Yes. I am using the term "Saunders," because the Alberta Research Council have divided the coal areas of Alberta into forty-five different fields based upon the quality of coal in those fields.

Mr. BURY: I may say, Mr. Chairman, just on that, and I think Dr. Camsell will bear me out in this, that the University of Alberta as well as the Province has been carrying on very careful inquiry into the relative values of the different Alberta coals.

By Mr. Bury:

Q. Is that not right?—A. That is right. That is, the University of Alberta, or rather the Research Council of the Province of Alberta, which consists very largely of the officials of the University, have done a great deal more of intensive work on the coals of Alberta than we have done here.

[Dr. Camsell.]

Q. If the Government of Alberta were, as it no doubt would be, influenced in this selection of the best mines from which shipments would be made upon the advice of that body, you think that there would be very little doubt but that only the best quality of coal would be shipped?—A. I believe that would be the case.

By Mr. Armstrong:

Q. But you, Mr. Camsell, are acquainted with the location of the best quality coal in that province, are you not?—A. As I say, there are so many factors that one has to consider.

Q. That is all right, but the Ontario people would naturally look to you?—A. No, I do not think they should; I should say they should look to the Province of Alberta.

Q. Why so?—A. Because they know more about it than I do.

Mr. CANTLEY: Because they are the parties that have something to sell.

Mr. CANTLEY: Mr. Chairman, I think the real question that is involved there is if the Doctor can assure the Committee that so far as Alberta is concerned it has very, very large quantities of coal which are suitable for domestic consumption in the Province of Ontario. Beyond that we are not interested.

Mr. ARMSTRONG: That might be all right from your standpoint but the Ontario people have to burn the coal and they have to enter into a contract for, say, five hundred thousand tons.

Mr. CANTLEY: My presentation of the case is sufficiently broad to cover it, surely that is broad enough.

The CHAIRMAN: I guess Mr. Camsell can give you a little further information to clear that point up, Mr. Armstrong.

The WITNESS: In this statement I have submitted to you, I have made this statement: "Good coals for domestic purposes of the sub-bituminous variety are produced in large quantities from such areas as Coalspur, Saunders and Lethbridge and of the domestic variety in the Drumheller and Taber areas. Other good coals are produced in lesser quantities from other areas."

By Mr. Armstrong:

Q. From where?—A. Other areas, variety of other areas.

Q. Good domestic coal?—A. Yes. The next question was: "Depreciation in weight of some western coals when exposed to the atmosphere." I do not think I can summarize this; I had better give it to you in full, if you wish.

The CHAIRMAN: Is it necessary? It will be included in the record.

Mr. FLEMMING: Consider it as read.

The CHAIRMAN: We will consider it as read.

The WITNESS: Question No. 5: "Coal areas on the west coast of Cape Breton".

By Mr. MacDonald (Cape Breton South):

Q. Is that extensive?—A. No, that covers a page and a half.

Q. Can you summarize that for us just shortly?—A. "The coal areas in Cape Breton not controlled by British Empire Steel Corporation. Port Hood. Probable reserve: one seam one foot in thickness, on land, area three square miles, probable reserve of 3,000,000 metric tons." These figures I am giving you are taken from the report of The Coal Resources of the World. "One seam, 6 feet in thickness, marine, area two square miles, probable reserve of 12,000,000 metric tons. Actual reserve has apparently not been determined. Mabou. Actual reserve, two seams, six and seven feet, one square mile in area, marine, 12,000,000 metric tons.

[Dr. Camsell.]

Mr. MacDONALD (Cape Breton South): I do not think it will be necessary to go over it all.

The CHAIRMAN: It will be in the record.

The WITNESS: The sixth question was: "Bills introduced in the United States Congress relating to embargo on anthracite coal." There have been a number of bills introduced into the United States Congress. "In 1922 a resolution was introduced into the House of Representatives advocating that the Federal Fuel Distributor be directed to report to the House of Representatives on the amount of anthracite coal which had been shipped to Canada and other foreign countries since September 22nd, 1922, and the proportion which that amount bears to the total amount of anthracite coal produced in the United States since that date. And also as to the advisability of establishing an embargo upon the exportation of anthracite coal to Canada and to other foreign countries until such time as the requirements of the consumers of the United States are satisfied."

Mr. CANTLEY: I understand there are several of these, and more or less voluminous; I would suggest that the Doctor be good enough to summarize and say that one, two, three or four, give us the number, so that anybody interested can turn up the original matter.

Mr. ARMSTRONG: Mr. Chairman, by that, Colonel Cantley means that he would put in all the material that he has prepared?

The CHAIRMAN: Oh, undoubtedly; that goes in as an addenda in our record. We are just duplicating what will be in the record anyway.

The WITNESS: The seventh question: "Coal production per man per day."

Mr. ARMSTRONG: That would be included?

The CHAIRMAN: Yes.

The WITNESS: Here is a table showing the production by provinces, in Nova Scotia, New Brunswick, Saskatchewan, Alberta, British Columbia and the Yukon for the years 1921, 1922, 1923, 1924, 1925.

The CHAIRMAN: It is in tabulated form and read for the record.

The WITNESS: The eighth question: "Smokeless coals of West Virginia." These coals come very largely from the Pocahontas district of West Virginia and are entering into Canada and enter into competition with the domestic fuels like anthracite and coke. You asked for the retail prices of this coal in Toronto. The retail price in Toronto reached \$14 per ton in February of this year, but the present quotation—

By the Chairman:

Q. Have you any prices for previous years?—A. The present quotation is \$12 a ton. No. I have not, because that coal has not been coming in in large quantities until quite recently. In Winnipeg, Pocahontas lump is retailing at the present time at \$15 per ton delivered in customers' bins in any part of the city. The production of that class of coal in West Virginia runs in the neighbourhood of 40,000,000 tons a year.

By Mr. Bury:

Q. Just before you leave that, Doctor. Is there much of that coal going into Winnipeg? We understood that the west practically had the whole of the Winnipeg domestic market?—A. That coal is used not only for domestic purposes but for steam purposes and that is one of the difficulties that we have in determining the amount that comes into Canada for domestic purposes.

By Mr. Armstrong:

Q. That coal is carried to Winnipeg by way of boats to lake ports, Port Arthur?—A. Port Arthur, yes.

Q. And then rail?—A. Yes. The amount sold to consumers in Ontario in 1923 amounted to 160,000 tons; this was for domestic purposes.

By the Chairman:

Q. When was it first introduced into Ontario?—A. I could not tell you that.

Q. Have you any figures besides those you just quoted?—A. No. In the same year there was sold to domestic consumers in Quebec, 21,000 tons, and in 1924, to consumers in Ontario, 239,000 tons and to consumers in Quebec, 106,000 tons. No figures are available regarding the quantities used for domestic purposes in Winnipeg.

By Mr. Bury:

Q. If that is a bituminous coal suitable for steam and domestic use, has it not the features of being smoky and oily, sooty, that the sub-bituminous coals of Alberta are free from?—A. Well, it is called a smokeless coal, because its volatile content runs about fifteen.

Q. It is free of those objectionable features?—A. Yes. The next question was "Coalmergers in United States." What I have here is what I have been able to get from the coal trade journals of the United States. There have been a number of mergers of coal companies of considerable importance.

By Mr. Armstrong:

Q. Have you been able to get particulars covering the most recent one where about fifteen coal mines were merged?—A. I notice here the first one I have on the list is a merger involving nineteen companies with a capitalization of \$10,700,000.

Q. That is not the one I mean.—A. The nineteen companies involved are situated in the vicinity of Pittsburg.

By Mr. Bury:

Q. When was that merger made?—A. I do not know when that was done.

By the Chairman:

Q. There is a tendency, Doctor, for coal companies to merge in the United States?—A. Yes, there is, because of the coal situation in the United States, the keen competition that exists and the necessity for cutting costs as well as expanding their market.

Q. Are these a result of over production?—A. I could not answer that directly, but I can say this; a statement was issued by Secretary Hoover, I think a little over a year ago, to the effect that the coal fields of the United States were equipped to produce some eight hundred million tons of coal, whereas their market at that time was somewhere in the neighbourhood of four hundred million tons, four to five hundred million tons. That is one cause for the amalgamation of the companies and the necessity for reducing costs.

Q. In that case, in the case of mergers such as those you have just mentioned, some of those mines must eventually close down?—A. A great many of those have already closed down. The next question was: "Average prices of Canadian coal at mines in Canada". I have taken from the Dominion Bureau of Statistics figures to show the prices in the different districts in Nova Scotia, including Cape Breton, Cumberland, Inverness and Pictou and the average for the Province of Nova Scotia. This covers run-of-mine, screened and slack

coal for the years 1923, 1924 and 1925; the same information from New Brunswick, Saskatchewan, British Columbia and Alberta; all in tabulated form. The last question was, "Sources of supply."

Q. That is the chart you had with you the first time you were here?—

A. Yes. (See p. 342a).

Q. We had decided to have that included.—A. This map shows the amount of coal produced in Canada, that imported from the United States and the provinces to which it goes; coal imported from Great Britain and the localities to which that goes; the amount of coal exported from Canada, and the final column shows the amount available for consumption in Canada. Anthracite is distinguished from Bituminous coal on the chart. Those were the questions that were asked; I think I have covered them all.

Mr. BURY: If Doctor Camsell will submit it as his report we can move that the whole of it be incorporated.

The CHAIRMAN: Quite in order. Will somebody make a motion that this data furnished by Doctor Camsell be included in the report of the Committee?

Motion agreed to.

The CHAIRMAN: Mr. Jelliff has read some of the evidence given by Dr. Camsell and has asked the privilege of asking Dr. Camsell a few questions in order to clear up some points.

Mr. JELLIFF: I do not wish to take up much of the time of this Committee, particularly to question anything that Dr. Camsell has said. I just want to say that in Ontario here you have a fuel problem, lack of fuel. In Alberta we have a marketing problem, in that we produce and are capable of producing an immense amount of coal from our coal resources but have no way of disposing of them.

The CHAIRMAN: Have you reference to bituminous coal?

Mr. JELLIFF: The problem is to bring them together. I have resided in the Lethbridge constituency where we think—of course every man loves his own baby the best—that we have about the best domestic or sub-bituminous coal there is in the province. I do not wish to make any criticism of the other excellent coal districts that we have in the province, but simply to call your attention to that fact. Now, my understanding has been, possibly as a result of the work of this Committee, that there may be some trial shipments made by rail and water of our Alberta coal to Ontario, and I have a feeling that in allocating the different coal districts in the province a fair proportion of the coal to be shipped here for that purpose, the Lethbridge field should not be overlooked. I think also my friend, Mr. Coote, who is in the room, feels that the field which he represents, in MacLeod, should not be overlooked. I would like to place a little matter before the Committee, as to the quality of our coal. A statement was sent to me by the Committee of the Lethbridge Board of Trade.

Mr. BURY: I take it that Mr. Jelliff wants to make a statement to the Committee and I think his evidence should be taken in the ordinary way and put on the record.

The CHAIRMAN: If it is the wish of the Committee.

Mr. BURY: I mean, it is a statement he wants to make and he wants to incorporate this in his evidence. I would move that he be heard as a witness in the ordinary way.

Motion agreed to.

Mr. JELLIFF: I want to put in another statement here which contains the chemical analysis of the coal of the Lethbridge district. I want to refer to it very briefly in comparison with the chemical analysis of the coals of the other areas.

[Dr. Camsell.]

For instance, the calorific value of the coal from the Edmonton area, according to this analysis, is 8630.

Mr. BURY: Whose analysis is that?

Mr. JELLIFF: I cannot tell you where they got this. I have compared it, Mr. Chairman, with the analysis that is made in the Report of the Alberta Coal Commission in 1925.

Mr. BURY: There is the trouble, Mr. Jelliff.

Mr. JELLIFF: And these figures correspond in the main, relatively, with those figures in this analysis.

Mr. BURY: Mr. Jelliff is not able to give us his own evidence on that point.

Mr. JELLIFF: I could find out who made those analyses.

Mr. MACDONALD (Cape Breton South): I say in the selection of these coals that are to be sent down to Ontario, I do not think this Committee will have anything to do with it; the Alberta Government is the one that is going to select the coals if they are to be sent down.

Mr. JELLIFF: One of your members here, Mr. Armstrong, I think it was, a few moments ago was asking as to the qualities of these coals.

Mr. MACDONALD (Cape Breton South): That might be so, but we will have nothing to do with selecting the coal that is going to come down.

The CHAIRMAN: Your intention, Mr. Jelliff, is to put on record the quality of the coal of one area that evidently has not been touched by this Committee?

Mr. JELLIFF: I wish to point out the chemical analysis that has been made of the Lethbridge coal.

Mr. BURY: The trouble about that is this: That is not your evidence.

Mr. JELLIFF: That is very true, but I can easily wire and get the name of the authority.

Mr. BURY: I doubt if you can put it in that way. I would like to say this, as a member of this Committee, as far as I am concerned, Lethbridge will have the same square deal as every other part of the province. The view I take is that it should be authorized in Alberta who should select the fields. The effect of that may be to rule the Edmonton field out altogether.

Mr. JELLIFF: I should not want to put it in that way, Mr. Bury. I have no intention of putting it in that way. It is only that in this trial shipment that is being made, I really felt that the province as a whole should be represented in these allocations. It might be that Lethbridge coal would stand handling better, less disintegration and so on, or prove itself better for the Ontario people. If the Drumheller coal was given a certain portion of that allocation, even if the Lethbridge coal seemed to be somewhat better, our average coal would be improved by having that element and we would be in a better position to market the coal of Alberta in Ontario. Might I remark that some test shipments were made down here during the last year, and it seems to me from what I could learn that one district alone was selected, and, in the main, there was a good deal of dissatisfaction in the rest of the province—in your part of the province, Mr. Bury, as well as in ours.

Mr. BURY: The reason for that was entirely this; that the shipment from these mines was made because they were on the C.N.R., and that is the reason why an arrangement was made with the C.N.R. for this test shipment, no arrangement being made with the C.P.R. The result was that the test shipments had to come from mines on the C.N.R.

Discussion followed.

Mr. JELLIFF: Mr. Chairman, may I say something in reply to my hon. friend. My remarks are simply relating to probable test shipments down here by rail and lake transportation. Now, I understand this C.P.R. situation; in fact, I have laboured with the C.P.R., and I understand if this test shipment is made, the Canadian Pacific is perfectly willing to join in it on the same terms as the Canadian National, so that there will be a chance for Lethbridge to have its proper allotment and representation in that shipment. I want to point out the quality of the coal, which has not yet been shown before this committee, to get the technical analysis and value of the coal before this committee, in determining this test. That certainly, it seems to me, comes within the purview of your committee.

The CHAIRMAN: May I ask Doctor Camsell one question. Would the area to which Mr. Jelliff has reference be included in your report?

Mr. CAMSELL: I referred to it as one of the areas producing a good quality of sub-bituminous coal.

Discussion followed.

Mr. JELLIFF: All I want to do is to put that analysis in. I can easily wire the proper parties to find out who made the analysis, to satisfy my friend (Mr. Bury). He said that Doctor Camsell had spoken highly of Lethbridge, and if that is the case, there can be no objection to having the analysis put in.

Then, in addition to that, I would like to have on the record the analysis of coal as given here, I think it is the second table of the report of the Alberta Coal Commission of 1925. That is all I wanted to do here. I wanted to make sure, of course, that these districts would have their opportunities along with the rest, and I do not wish to say anything against any district in my province, which is quite as dear to me as it is to Mr. Bury. We want to find a market for Alberta coal, and put into the Ontario market a coal which will be satisfactory to the Ontario people, and work together toward the permanency of that market. I care not where that coal comes from in Alberta. That is all I wish to present. I thank you very much.

Discussion followed.

The CHAIRMAN: Doctor Camsell, have you an analysis of the coal referred to?

Mr. CAMSELL: Yes. The Highwood area, which Mr. Coote has spoken of, is situated in the mountain regions of the province of Alberta, toward the upper part of the Highwood River. In this area, a belt of the older coals of the province of Alberta occurs, running northwesterly toward the C.P.R., and this belt contains high grade coal, although there is no production from the area, and I understand only a limited amount of development work has been done. The average analysis of the coal from Cat Creek, which is tributary to the Highwood River, will run as follows: Moisture, about one per cent; Ash about eight per cent; Volatile matter about sixteen per cent, and Fixed Carbon about seventy-five per cent.

Mr. CANTLEY: That is exceptionally good coal, and it shows that we have in this country enormous reserves of first-class fuel. This is a matter of considerable importance.

Discussion followed.

Mr. COOTE: I do not want to take up the time of the Committee. I want to thank you for asking Doctor Camsell for that statement. I think possibly you will find that is the highest grade coal referred to before this Committee. The manager of the Yale Hotel said he burned a truckload of that coal brought to him for test. It is about 45 miles from the railway, but the district is one

[Dr. Camsell.]

in which it would be very easy to build up to, because the railway can follow the Highwood River right to the mine. The reason I wanted to put this before the Committee is, that if we are going into any extensive scheme, no doubt that area will be opened up by the Ontario market, because it has such a low moisture content, and would be worth while bringing it down. I think this area should be considered by this Committee, and by the Alberta Government.

I have placed in the hands of Mr. Armstrong a memorandum prepared by the manager of one of the largest coal companies in the Crows Nest Pass district. It is bituminous coal they are producing there. I have no opinion to give to the committee regarding it. I may say that in the Crows Nest area now, where they produce the bituminous coal, it is coal which compares in size to the anthracite egg coal, and they are selling it in various places in the west. The manager of a coal company, when he was here a couple of months ago, told me he thought it could be brought to Ontario and sold in competition with anthracite, if we had a suitable freight rate. That is simply additional evidence of the coal supply. I do not want to express any opinion as to the value of it as domestic coal, but I am told they are selling it in competition with domestic coal from other points in Canada.

Mr. JELLIFF: Do I understand that this analysis (indicating) is not admissible?

The CHAIRMAN: We will accept it on condition that you supply us with the names of your authorities.

Discussion followed.

Mr. BURY: This is on page 28 of the report of the Alberta Coal Commission of 1925.

Mr. JELLIFF: Then, this other analysis—

Mr. BURY: I object to that.

Mr. JELLIFF: This comes,—and I have a note of it—from the Coal Committee of the Lethbridge Board of Trade.

Mr. NEILL: Why not put it in as what it purports to be, an analysis from the Lethbridge Board of Trade.

The CHAIRMAN: I cannot see any objection to that whatever. It will be admitted in that manner.

CYRUS P. HOTCHKISS recalled.

By the Chairman:

Q. Mr. Hotchkiss, you were to continue your evidence on domestic coal?—
A. Yes sir.

Mr. HOWDEN: Mr. Chairman, before Mr. Hotchkiss proceeds, if I may I would like to clear up a point that has been before us before to-day, with regard to the message that was sent concerning the Canadian coal sent to the United States, ostensibly in bond, or not in bond. I believe Mr. Hotchkiss has made certain inquiries, and if I am not mistaken, the report he gives controverts that received by Colonel Cantley.

The CHAIRMAN: I understand he will give that as he goes along.

Mr. JELLIFF: May I have another minute, Mr. Chairman? This statement I have handed in is an analysis I find to be taken from the work "Analysis of Alberta Coal" by Edgar Stanfield, Robert T. Hollies, and William P. Campbell. It is on page 37 of that report. I would like to substitute this for the one I have already put in.

The CHAIRMAN: It may be done.

[Mr. Hotchkiss.]

Location of Samples.....	Lethbridge Area					
	District A			District B		
	See map on page 36			See map on page 36		
Usual Classification.....	Sub-Bituminous*			Sub-Bituminous*		
	Typical	Max.	Min.	Typical	Max.	Min.
Proximate Analysis:—						
Moisture.....%	10.2	10.9	9.2	10.3	11.2	9.6
Ash.....%	9.3	10.7	7.7	13.3	14.9	11.7
Volatile Matter.....%	35.8	37.7	34.8	35.5	37.0	34.3
Fixed Carbon.....%	44.7	46.0	43.3	40.9	42.8	39.7
Calorific Value, gross, B.T.U. per lb ...	10,980	11,230	10,840	10,560	10,820	10,300
Moisture in Air Dried Coal.....%	7.1	7.3	7.0	7.4	8.5	6.3
Sulphur.....%	0.6	0.7	0.6	1.0	1.4	0.7
Fuel Ratio.....	1.25	1.35	1.20	1.15	1.20	1.10
Coking Properties.....	Non-coking			Non-coking		
Number of Samples.....	16+50			8+0		

Notes on page 18 must be consulted for significance of analyses.

*The Provincial Mines Branch classes this coal as Domestic.

The CHAIRMAN: Now, gentlemen, Mr. Hotchkiss will give us his evidence on coal going into the United States in bond.

The WITNESS: If you wish me to start at that point, Mr. Chairman. I made practically the same inquiry of Mr. Mahoney as was made by Mr. Cornell and I believe, at any rate I interpret my reply in a different way than Colonel Cantley has. I would be very loath to enter into an argument, or would not care to, but I think that it is simply, open to interpretation, open to argument. I wired Mr. Mahoney as follows:

Please advise by wire what Customs regulations are in force regarding foreign coal received for bunkering purposes. Can foreign coal be shipped to U.S. ports and held there for subsequent coaling of ocean going vessels.

and he replied, as follows:

Your wire sixteenth.

In absence Mr. Mahoney have taken up with United States Customs who advise that foreign coal might be shipped to United States ports for subsequent coaling ocean going vessels under item one five four eight U.S. tariff Act. No other regulations in force.

(Signed) EXTERNAL AFFAIRS.

Mr. CANTLEY: That is exactly the same as the other.

The WITNESS: I looked up Tariff 1548, which is as follows:

Item 1548, Coal, anthracite, bituminous, culm, slack, and shale; coke; composition used for fuel in which coal or coal dust is the component material of chief value, whether in briquets or other form: Provided, that if any country, dependency, province, or other subdivision of government imposes a duty on any article specified in this paragraph, when imported from the United States, an equal duty shall be imposed upon such article coming into the United States from such country, dependency, province, or other subdivision of government.

My interpretation of that was that that is a reciprocal arrangement regarding coal duties.

Mr. FLEMMING: Only it does not reciprocate.

[Mr. Hotchkiss.]

Mr. BURY: The whole question is "how far does the reciprocal principle go?" Does it go to the length of allowing it in in bond? That is the general principle referring to coal in ports.

The WITNESS: This, Mr. Bury, is really an academic argument from the one side as no coal goes into United States ports for that purpose.

By Mr. Bury:

Q. No Canadian coal goes in for bunkering?—A. No.

Discussion followed.

The WITNESS: I think, perhaps, the Committee might be interested in a little further information regarding the bunkering of ocean going vessels in a definite form. I made inquiries into this subject some time ago, and as the British Empire Steel Corporation are practically the only company which supply Canadian coal for bunkering purposes and I asked them if—

By Mr. Cantley:

Q. Where?—A. For ocean going vessels.

Q. Where?—A. At Canadian ports.

Q. Oh, no, there are other companies supplying coal both at Pictou district and Cape Breton district.—A. I dropped that question as to whether it was reciprocal or not altogether, sir.

Q. I know that, but I understand you to say that Montreal or Quebec are the only points where— —A. Oh, no.

Q. Or that the British Empire Steel Corporation is the only corporation which is supplying bunker coal for ocean going vessels.—A. I say they supply most of the Canadian coal.

Q. All right, I agree with that.—A. I thought it would be possibly the most reliable information as regards quantities that are supplied. I received a reply from them which said, "The following represents the average annual tonnage of coal delivered to foreign going vessels at eastern Canadian ports. Sydney and Louisburg, 125,000 tons, all Canadian. Halifax, 87,400 tons, Canadian; 7,600 tons, foreign coal. St. John, 31,680 tons Canadian coal, 320 tons foreign coal. At the St. Lawrence ports, 75,000 tons of Canadian coal and 25,000 tons of American coal. Making a total of 319,080 tons Canadian coal and 32,920 tons of American coal."

Q. How much American?—A. 32,920. This coal is covered by circular number 364C of the Customs Department which provides for a certificate from the master of the vessel that this coal which has been released from bond is necessary and is to be used for the purposes intended.

By Mr. Armstrong:

Q. That means 32,000 tons are used for bunkering purposes in Canada? —A. On ocean going vessels.

Q. Of foreign coal?—A. Yes, on ocean going vessels.

By Mr. MacDonald:

Q. Is the duty on that collected and then refunded?—A. No, sir.

Q. Or is it kept there in bond?—A. It is kept in bond.

Q. Colonel Cantley told us you have got to pay the duty when you go into the United States?—A. Of course, that is not done; I think you were saying there were no regulations to have it put in bond in the United States.

Mr. CANTLEY: Regulations whereby they can make a refund, so, in effect, it is not done.

The WITNESS: Here it comes in in bond and is released on a certificate from the master of the ship.

[Mr. Hotchkiss.]

By Mr. Bury:

Q. And then a refund of the duty is made?—A. No duty has been paid; it comes in in bond.

Mr. CANTLEY: You have got to put up the cash and they have no regulations by which they can refund it. The quantity is smaller than I anticipated, if the figures are correct and there is no use of my expressing any doubt about them. but the quantity, I think, is much smaller.

The WITNESS: There is a considerable tonnage, I believe, of foreign coal used on inland waters and it should not be confused with bunkering ocean going vessels.

By Mr. Armstrong:

Q. For which duty is not paid?—A. For which duty is not paid, sir.

By Mr. Flemming:

Q. Will you amplify that statement a little, it is very interesting?—A. I believe that the Canada Steamship lines, for instance, coal at Port Colborne and Montreal, and possibly other points, with coal which has come in in bond.

By the Chairman:

Q. Do you know any other ports where coal is brought in and put in bond?—A. None other than the ones I have mentioned.

By Mr. Cantley:

Q. Am I to understand, from what you say, that the inland navigation companies on the Great Lakes and operating on the St. Lawrence above Montreal, can bring in American coal and use it for bunkering purposes without paying any duty?—A. Yes, sir.

Q. Well then, if that is so, that quantity of 33,000 tons would be enormously increased?

Mr. MACDONALD: That is only the British Empire Steel Corporation.

The WITNESS: I was referring to ocean going vessels, sir.

By Mr. Bury:

Q. Have you any idea of the amount used on the Lakes?—A. I think it is very large, sir; I hesitate to give the amount I have here because I have no confirmation of it.

Mr. BURY: Well, but our own department ought to know that, if it comes in in bond?

Mr. CANTLEY: That is entirely new to me. If that is so, it makes the matter much more serious than I had any idea of and I do not think there is any warrant for that, frankly.

Mr. BURY: Do you not think we ought to take note of that in the minutes and make a recommendation?

Mr. CANTLEY: That is very important, if that is correct; that should be taken down very clearly.

The WITNESS: There is this point in connection with that, sir. I understand a formal request was made some time ago to have this rectified regarding ocean going vessels. I believe that it was not asked on the inland waters because it was realized that if that privilege was withdrawn these vessels would coal on the other side.

Mr. FLEMMING: Let them coal on the other side.

The WITNESS: It is some advantage to have them coal here.

[Mr. Hotchkiss.]

By Mr. Bury:

Q. You say, if that privilege was withdrawn they would coal on the other side. What advantage is it to them to coal on this side now? Why do they not coal on the other side now where the coal is, there must be some reason?—

A. There is an advantage.

Mr. BURY: All right, I would like to know what the advantage is.

Mr. CANTLEY: There is a very practical reason for that.

Mr. BURY: Well, tell us.

Mr. CANTLEY: For instance, a boat in the package freight business has certain points of call. She has got a time table, she comes there on such a day, there the next day and there the next day. Now, to ask them to go across the lakes two or three hundred miles to get their bunker coal is going to mean a considerable amount of time. They require 100 tons at this point; she comes down here to-day; they require another hundred tons. As they come down they replenish their bunkers. They can take a freighter and put four thousand tons on it and put four thousand tons here and from that pile she takes her coal at very much less cost than to divert her and run across for two hundred or five hundred tons, or whatever amount her capacity is. She would have to go off her route again and again and go across and pick up small quantities, whereas now she can bring in five thousand tons and put it there and another five thousand tons here.

By Mr. Bury:

Q. What I am getting at is this: unless the advantage of getting her bunker coal at Canadian ports, after this concession has been withdrawn, is at least as great as the nuisance of bunkering in the States, they won't go over to the other side?—A. No, they will pay the duty and not use Canadian coal; in many cases, on a large bulk of that tonnage I am afraid that they would have to pay the duty. The inland waters was not touched upon by the interested parties because they did not think it would help them very much and would only be an additional expense on the steamship companies.

Mr. CANTLEY: In effect, the Government was giving them a bonus of the amount of the duty as compared with other people who are paying duty on coal consumed.

By Mr. Armstrong:

Q. Could you not obtain the amount of coal consumed in that way?—A. I think I could, sir.

Q. We would get that from the Customs, could we not?—A. Yes.

Mr. CANTLEY: I think the evidence should be taken down in regard to that point; it is a point of very considerable importance.

The CHAIRMAN: We will get those figures, Mr. Cantley.

Mr. CANTLEY: All right.

The CHAIRMAN: We will get those from the Department of Statistics or from the Customs.

The WITNESS: I understood that the Committee wanted me to continue my evidence in regard to that domestic coal. As you have received, since I was on the stand, a great deal of evidence, I do not wish to repeat any that has already been given. I told you very briefly of the Fuel Board's summarization of our position a few years ago, and all our people thought that Ontario wanted a dependable source of supply of good domestic fuel at reasonable prices. We thought that in the erection of coking plants at various centres we could possibly obtain more relief for them than by any other means, and consequently

[Mr. Hotchkiss.]

engaged a highly competent coke oven expert to thoroughly investigate our situation and make what might be called a commercial survey of conditions existing in the various centres. Our report has been issued and you have, no doubt, seen it. We have, since that time, attempted to build up or encouraged to build up a market for coke by propaganda. We believe that if a sufficient market was established capital would be sufficiently interested to come in and put up money to build these plants. We were particularly interested in the possibilities of using Maritime coal for coking purposes and made some investigations along those lines. Very briefly, I think the result of our investigations were that Maritime coal is very suitable for the making of domestic coke and wherever it can be landed in competition with imported coal that it would be of advantage to this country to encourage its use. The Hamilton plant was established about the time we started our work and as a result of the increase in the use of coke in the last two or three years they are more than doubling their capacity now. Other plants have been started in other parts of central Canada and our only fear is that plants may be established on the other side of the border and coke shipped in to supply our demand rather than plants being located in this country.

By the Chairman:

Q. And use American coal, of course?—A. Yes, sir.

By Mr. Cantley:

Q. May I ask you one question? Are you aware, or what do you know in regard to a plant of that character established at Rochester, New York?—

A. There has been a plant established. I do not know whether it is completed yet or not, sir; I think it is.

Q. Oh, yes, it is in operation.—A. There are a number of them all over the States that have been built in recent years.

Q. This is right across the lakes.—A. Yes, and I know something of their operation.

By Mr. Armstrong:

Q. Do you know of any other plants, have you seen them in operation?—A. I have seen many of them, sir.

By the Chairman:

Q. Does coke replace anthracite coal in a general way in the United States where anthracite coal is generally used as domestic fuel?—A. I would say that it is a strong competitor for anthracite coal.

Q. A growing competitor?—A. Growing competitor. I would also say that I believe that a ton of coke can compete on an efficiency basis with a ton of American anthracite and that it should be produced at a cost which would allow it to be sold at from two to four dollars a ton under the prevailing price of anthracite.

Q. Is there very much American coke coming into Ontario?—A. There are considerable quantities, sir. I know that one plant at Buffalo is being more than doubled and I believe it is principally to supply the increased demand in Ontario.

By Mr. MacDonald (Cape Breton South):

Q. What about the Hamilton District? What about that district around Hamilton, do they supply all their own coke; do they supply much coke for domestic use?—A. Most of the coke, I believe about 80 per cent of the coke produced at Hamilton is used for domestic purposes.

[Mr. Hotchkiss.]

Q. In that district surrounding Hamilton?—A. It comes all the way to Ottawa. I think possibly you might care for some explanation of the workings of the drawback on coal imported for coking. A drawback was allowed of 99 per cent of the duty on coal imported for making metallurgical coke in 1907. I believe. About two years ago that was extended to domestic coke. Now, I think there has been a little misapprehension as to the reasons for that. American coke comes in free; it takes a ton and a half of bituminous coal to make a ton of coke; therefore, to make a ton of coke, if it has to pay duty, there is a charge for duty against every ton of coke made in Canada of 75 cents. A plant in Buffalo that competes with a plant in Hamilton could ship this coke in free and the Hamilton plant would be under the disadvantage of 70 cents a ton in competing with the Buffalo plant.

By Mr. Bury:

Q. 75 cents?—A. 75 cents. At such points along the border and Western Ontario that Nova Scotia coal cannot reach, at the present time at any rate, unfair competition would exist, and what would be the result? Plants would be built on the other side of the line and the coke would be shipped in. Now, at the time that that drawback was recommended the idea was to replace that protection that had been taken away from Nova Scotia coal in some other form at points where Nova Scotia could compete, at Montreal, for instance. Some sort of assistance would be necessary at the present time in Montreal where these two coals just meet on a competing basis with the duty, to cause them to use Canadian coal in Montreal. Now, you can see that a ton of coke, if it were computable on the basis of a ton of coke, it would need to be at least 75 cents, and if there is any difference in quality it works against Nova Scotia coal for coke making and it would have to be more than that.

By Mr. Flemming:

Q. You say the two coals are on about a parity at Montreal at the present time?—A. Yes.

Q. Now, if it were a question of establishing a coking plant in Montreal and the privilege as to the rebate on the American coal used for coking purposes was afforded, would it not put that plant in the position that they would have to use American coal?—A. Yes sir, without some other assistance that would. I might say, though, in that connection, that American coal is at the present time being used by the gas company in Montreal with the duty, where it has to pay the duty.

By the Chairman:

Q. Of 50 cents a ton?—A. In preference to Nova Scotia coal. It is one of the few industries that do use imported coal in Montreal.

By Mr. Flemming:

Q. Do you know the extent to which the gas company is coking coal?—A. They, up to last year, produced about 100,000 tons of retort coke. They have closed their retorts at Hochelaga and, I believe, reduced that amount by about 35,000 tons.

By the Chairman:

Q. Is the coke there sold for domestic purposes?—A. Yes sir.

By Mr. Armstrong:

Q. Is there no danger in selling this coke by the ton of it absorbing a lot of moisture?—A. Yes sir. The Consumers Gas Company of Toronto sell it by the bushel and claim that is the only way it should be sold.

[Mr. Hotchkiss.]

Q. That is what I say; but in Montreal they sell it by the ton?—A. Yes. Of course, by-product coke does not absorb very much moisture. It can stand right out in the rain and it takes up very little moisture.

Q. Do you know why they do not use Nova Scotia coal in Montreal?—A. Yes, sir.

Q. Why?—A. Difference in the quality for that particular purpose that they want it for.

By Mr. Cantley:

Q. What element are you referring to?—A. Mostly sulphur, I understand from their officials, sir.

Q. Is that not entirely a question of treatment?—A. Yes, sir, cost of the treatment.

Q. How costly?—A. Well, that is rather difficult to say. They are making experiments at the present time in the use of Nova Scotia coal.

Q. You have your own idea of what the cost is, will you state it?—A. I believe they figure on about three cents per thousand cubic feet as the cost of purification at most plants.

Q. What does that represent, cost per ton of coal?—A. In by-product ovens there is around eleven thousand cubic feet of gas per ton of coal, of which they use about four thousand feet, leaving seven thousand cubic feet of surplus gas.

Q. That would be twenty-one cents?—A. That would be twenty-one cents, yes.

Q. It is not a very formidable thing?—A. No, sir.

Q. Is it not a fact there are coals in Cape Breton that are not objectionable at all from that point of view?—A. I believe so, sir.

By Mr. Bury:

Q. Do you know where?—A. Some of the coals of the British Empire Steel Corporation.

By Mr. Armstrong:

Q. Have you any further information or suggestions to make in regard to the transferring of coal at the port of Montreal and carrying it up to Toronto and Hamilton or on the upper lakes; you gave some information before?—A. I believe, sir, that it would be extremely difficult; it would certainly be necessary to have some assistance.

By Mr. Bury:

Q. What?—A. Some assistance to meet competition at Toronto.

Mr. CANTLEY: That is obvious. If duty is required on coal it must be required on coke because if you are going to be allowed to bring in foreign coal to produce coke then you have no protection on the coke produced but you have protection on the coal.

By Mr. Bury:

Q. You say that if the 99 per cent drawback on American coal for coking purposes was removed the effect would be that the coal would be coked on the American side and shipped across; would that be met by putting a duty on American coke coming in?—A. Most assuredly, sir, it would be the same thing.

The CHAIRMAN: And raise the cost of coke to the consumer in Canada?

Mr. CANTLEY: It might or might not; it does not always follow.

[Mr. Hotchkiss.]

Mr. HOWDEN: Canadian manufacturers have got to meet American prices.

Mr. ARMSTRONG: The witness was going to make a statement.

The WITNESS: I was just going to answer Mr. Armstrong a little further. We have just said that American coal and eastern coal meet in close competition in Montreal. American coal can be landed cheaper in Toronto than it can in Montreal and you have quite a considerable distance further to transport Nova Scotia coal. Therefore, it becomes increasingly difficult.

The CHAIRMAN: That is what has been our difficulty; transportation. Both American and Canadian coal meet on an equal basis in Montreal. You have got a rail haul west from Montreal where coal is becoming cheaper from the United States.

The WITNESS: American coal can be landed in Toronto for about \$4.85.

Mr. BURY: It stands to reason, if they are on equal terms in Montreal, in Toronto the Canadian terms are getting worse and the American terms are getting better.

The CHAIRMAN: They are selling coal now in the West Virginia area, run-of-mine, at \$1.50 a ton.

By Mr. Bury:

Q. Now, if I may come to another subject, I would like to see whether you can give us any information on it. Dealing with the western movements, the Committee has received evidence in respect of a rail and lake shipment of western coal, rail to Duluth, and shipment by boat from Duluth to, say, Sarnia. Do you know any other American ports that have coal loading equipment, other than Duluth? In point of fact, we have ascertained that the Duluth equipment is really for ore loading, and it may be a question of whether it would be quite fair on the coal?—A. You mean at the head of the lakes?

Q. Yes.—A. You cannot use the equipment at Duluth or other lake points.

Q. I am dealing with the rail question. What I want to get at is this. Is there any port toward the head of the lakes which has coal loading equipment, which can handle coal in large quantities?—A. I don't know of any.

Q. What about Cleveland?—A. That is not toward the head of the lakes.

Q. The main point of the test is whether the coal will stand handling by loading equipment in large volume. Now, we have got to get the test where that equipment is.—A. Toledo would be the nearest place.

Q. Is there equipment at Toledo?—A. First class.

Q. Coal loading equipment?—A. Yes.

Q. My point is to put it through where we can depend it will be handled the best.—A. Toledo is the only place.

Q. I understand you have some knowledge of the methods of coal handling on the Rhine?—A. Yes, sir.

Q. Can you tell the committee what method of coal handling they use on the Rhine?—A. It is extremely interesting. German anthracite and German briquettes were brought over here last winter. There was very little breakage although the anthracite is a very friable coal. It is loaded in five-ton buckets at the tippie. Two of these buckets are picked up and are put onto the railway carriage or wagon, as they call it there. They are taken down to the sea, where these buckets are lifted out and lowered into the hold of the ship, where the bottoms of the buckets are opened, and the coal just spills out with no breakage.

Q. There is no fall or breakage?—A. No.

Q. You have seen that operating?—A. No sir.

Q. From whom have you heard it?—A. From the importers of German anthracite.

Discussion followed.

Mr. ARMSTRONG: Let us get some information on that. I am trying to read into the record a few words from Mr. Draper. Mr. Goodison, the member for West Lambton, is also interested in this. Mr. Draper calls attention to a few things here and closes his letter with these words. It is dated June 15, 1926, and the "Mr. France" to whom he refers is the secretary of the Chamber of Commerce of the city of Sarnia. This reads:

However, Mr. France stated that he had already sent a communication to Mr. Lapierre regarding the transfer, Duluth to Point Edward.

I asked Mr. France to get in communication with one of the Northern Navigation Company's men and ask him to inquire just what unloading facilities there are at Duluth, but he said that he would do this through the Chamber of Commerce of Duluth. As they have taken the matter up in this way I do not feel that there is any reason for me going further into it at this time.

By Mr. Bury:

Q. May I ask, Mr. Hotchkiss, if they are actually using the Toledo equipment to load coal?—A. I saw it last week.

Mr. BURY: Then what I suggest is this: that I telegraph Mr. Stutchbury, the Trade and Fuel Commissioner of Alberta, to go himself to Duluth in the first instance, and afterwards to Toledo, and examine the equipment at Duluth, and if necessary watch the equipment at Toledo and see it working.

Mr. FLEMMING: That is practical.

Mr. ARMSTRONG: Let me put this letter on to the record, because I think it is worth while. It is dated June 16th, 1926, and is as follows:—

Mr. J. E. ARMSTRONG, M.P.,
House of Commons,
Ottawa, Ont.

DEAR Mr. ARMSTRONG.—Supplementing the statements made before your Committee last week, beg to say that I have just returned from another inspection of watching the unloading of limestone at the New Egyptian Portland Cement Plant, adjoining our works here in Port Huron, from the Steamer W. F. White of the Limestone Transportation Co. This is a ten thousand ton capacity boat. They tied up to the dock at 7.30 and at the time of my visit, 9.00 o'clock, they were more than half unloaded. On this vessel load they are carrying two grades, one of stone passing one and one-half inch mesh and resting on one inch and the other passing three-quarter inch. These two grades are in different compartments, as explained could be done in loading Alberta Coal of different grades.

While going over the boat and plant, Mr. Acker, Manager of the New Egyptian Cement Co., stated that it was their intention to extend their own belt conveyors which are connected to the bins (where the boat unloaders dump into) over the tops of their present buildings and use the same conveyors for their coal. Captain of the Steamer White stated that their boat as constructed is suitable for unloading coal and has carried a cargo of nine to ten thousands tons and unloaded this in ten hours. This bears out the statement which I made to your Committee that I thought the conveyers as installed on stone boats were suitable for handling coal.

There are a larger number of these self un-loading boats on the Lakes than I was aware of. This Company which carries stone to

[Mr. Hotchkiss.]

Port Huron is known as the Limestone Transportation Co., having the following self-unloading boats:

Steamer W. F. White,
Steamer Bradley,
Steamer Taylor,
Steamer Robinson.

The latter two boats are equipped with electric self-unloaders.

The manufacturers of these unloaders are the Stevens, Adamson Mfg., Co., Aurora, Ill., and their general catalog No. 25, under Labour Saving Machinery, gives a full description of the unloaders and I believe shows cuts of machinery installed on the Steamers Calcite, Alpene and Wyandotte. These three boats are carrying stone and coal to the large alkali plants at Wyandotte, Mich. If you wish to have one of these catalogs, you might write direct or if you will communicate with our office, we will try and secure one for you.

Yours very truly,

THE DRAPER MANUFACTURING Co.,

(Signed) THOS. DRAPER, *Manager*.

By Mr. Armstrong:

Q. Have you any other suggestion to make, Mr. Hotchkiss?—A. You have discussed the dumping regulations, and have asked for information from several witnesses. I thought perhaps you would like to hear something about this.

By Mr. Bury:

Q. Just before you go on: is the loading apparatus at Toledo hard on the coal?—A. It is one of the best plants in existence.

Q. Do you think coal will stand handling that way?—A. Well, there is a certain amount of breakage.

Q. That is a fact, but could you suggest what percentage of breakage there would be?—A. I can hardly do that.

Q. The only way would be to have a man go and watch it?—A. Yes.

By Mr. Armstrong:

Q. Was that an electric unloader?

Mr. BURY: I am not talking about unloaders.

Mr. ARMSTRONG: I am asking this question.

The WITNESS: Yes sir. There have been a number of claims of dumping Maritime coal, and complaints about the ineffectiveness of our laws as compared with the American laws. The main differences are as follows. The Canadian law provides for a valuation at the place of export, while the American law provides for a valuation at the point of production. The penalties are a maximum of fifteen per cent with our Canadian laws, and fifty per cent with the American dumping clause.

By the Chairman:

Q. There are no other restrictions than those? That is, there are no other drawbacks?—A. I have a copy here of the Canadian regulations and of the American regulations, which I could place on the record.

Mr. BURY: I move they be placed on the record.

THE DUMPING CLAUSE OF THE TARIFF AND "REGULATIONS THEREUNDER"

The provisions of the Customs Tariff, 1907, in regard to Special Duty or Dumping Duty are as follows:

Sec. 6. In the case of articles exported to Canada of a class or kind made or produced in Canada if the export or actual selling price to an importer in Canada be less than the fair market value of the same article when sold for home consumption in the usual and ordinary course in the country whence exported to Canada at the time of its exportation to Canada there shall, in addition to the duties otherwise established, be levied, collected and paid on such article, on its importation into Canada, a special duty (or dumping duty) equal to the difference between the said selling price of the article for export and the said fair market value thereof for home consumption; and such special duty (or dumping duty) shall be levied, collected and paid on such article although it is not otherwise dutiable.

Provided that the said special duty shall not exceed fifteen per cent ad valorem in any case:

Provided also that the following goods shall be exempt from such special duty, viz.:

- (a) Goods whereon the duties otherwise established are equal to fifty per cent ad valorem;
- (b) Goods of a class subject to excise duty in Canada;
- (c) Sugar refined in the United Kingdom;
- (d) Binder twine or twine for harvest binders manufactured from New Zealand hemp, istle or tampico fibre, sisal grass, or sunn, or a mixture of any two or more of them, of single ply and measuring not exceeding six hundred feet to the pound.

Provided further that excise duties shall be disregarded in estimating the market value of goods for the purposes of special duty when the goods are entitled to entry under the British Preferential Tariff.

(2) "Export price" or "selling price" in this section shall be held to mean and include the exporter's price for the goods, exclusive of all charges thereon after their shipment from the place whence exported directly to Canada.

(3) If at any time it appears to the satisfaction of the Governor in Council on a report from the Minister of Customs, that the payment of the special duty by this section provided for is being evaded by the shipment of goods on consignment without sale prior to such shipment, the Governor in Council may in any case or class of cases authorize such action as is deemed necessary to collect on such goods or any of them the same special duty as if the goods had been sold to an importer in Canada prior to their shipment to Canada.

(4) If the full amount of any special duty of customs is not paid on goods imported, the customs entry thereof shall be amended and the deficiency paid upon the demand of the Collector of Customs.

(5) The Minister of Customs may make such regulations as are deemed necessary for carrying out the provisions of this section and for the enforcement thereof.

(6) Such regulations may provide for the temporary exemption from special duty of any article or class of articles, when it is established to the satisfaction of the Minister of Customs that such articles are not made or sold in Canada in substantial quantities, and offered for sale to all purchasers on equal terms, under like conditions, having regard to the Custom and usage of the trade.

(7) Such regulations may also provide for the exemption from special duty of any article when the difference between the fair market value and the selling price thereof to the importer as aforesaid amounts only to a small percentage of its fair market value.

The WITNESS: That practically explains itself.

[Mr. Hotchkiss.]

By Mr. Bury:

Q. It is stated, Mr. Hotchkiss, that the Americans overcame the effect of the dumping clause by simply consigning from the point of production, under the cover of a species of bogus sales consignments, at a cheap rate, to the point of export, and the Canadian anti-dumping clause, operating on that principle at the point of export, and that being, by this device, made low, they are able to sell at the same low price in Canada. Do you know whether that takes place or not?—A. I do not know, sir; it is difficult to get that kind of evidence.

Now, there was one other point relating to the duty on steam sizes of anthracite. I have a little information on that question. In 1922, there was something over 230,000 tons of steam size anthracite imported into Canada; in 1923, 396,000 tons; in 1924, 226,000 tons, and in 1925, 224,000 tons.

By Mr. Cantley:

Q. That is buckwheat and pea coal?—A. Yes sir. Now, the contention is that most of this fuel is used for industrial purposes, and comes in competition with our own Canadian coal, and it comes in 'free of duty.

By the Chairman:

Q. Particularly into Ontario?—A. A very great portion of it is in eastern Ontario. I have it separated here. There are only a few thousand tons which go into Winnipeg. I have a short memorandum of it which can be put in the record, if you care to have it.

Mr. ARMSTRONG: That is a good idea.

The CHAIRMAN: Put in the short extract.

File 1.13.A

DOMINION FUEL BOARD

VICTORIA MEMORIAL MUSEUM

OTTAWA, Ontario,

7th April, 1926.

Memorandum to:

Dr. CHARLES CAMSELL,

Chairman, Dominion Fuel Board.

Re: *Imposing a Duty on Steam Sizes Anthracite*

Increasing evidence is being brought to my attention that in Ontario and Quebec, the market for native industrial coal has to meet unfair competition from steam sizes American anthracite.

As steam sizes anthracite enters Canada free of duty and is used for the same purposes as bituminous coal, it would appear that the clause of the tariff which imposes an import duty of 50 cents per ton on the latter does not function fully, as intended. The recapitulation, hereunder, showing the imports of anthracite dust into Canada from the United States, in the years 1922, 1923, 1924 and 1925, will show the extent to which this grade of coal has featured on the market:

IMPORTS OF ANTHRACITE DUST INTO CANADA FROM THE UNITED STATES Calendar years, 1922, 1923, 1924, 1925

—	Eastern Canada	Western Canada	Total for Canada
		(Short tons)	
1922.....	226,282	3,861	230,143
1923.....	386,335	9,881	396,216
1924.....	222,742	3,931	226,673
1925.....	217,803	6,214	224,017

About 75 per cent of the output of this grade of coal finds a market in the cities of New York and Philadelphia, and rather than disturb these larger markets the surplus is put into Canada where it comes into competition with native industrial coals.

Although our native coals have the advantage of a protective tariff of 50 cents per ton as against imported bituminous coals, it has been found that the Maritime Province coals are suffering in the market from competition with steam sizes American anthracite.

There is reason to believe that an additional disadvantage accruing to Maritime coals in this competition is owing to the steam sizes American anthracite being dumped into Canada. The anthracite-carrying railways, who are much interested in the marketing of this coal, are giving especially favourable freight rates in the principal competitive centres—rates which cannot be secured for similar movement on bituminous coal.

Marketing of steam sizes Welsh anthracite is also placed at a disadvantage in competition with similar grades of American anthracite. Canadian importers of Welsh coal realize that the Government is endeavouring to assist in extending the market for Welsh anthracite but point out that they find the greatest difficulty, and in many cases the impossibility, of selling their steam sizes in competition with the American anthracite steam sizes. They explain that Welsh anthracite arrives in Canada unsized and that they have to put it through a breaker to prepare it for the domestic market. Due to the severe handling the coal receives and to the friable nature of the coal itself, there is a heavy degradation, it being claimed that as high as 40 per cent results in sizes consisting of pea, buckwheats and dusts.

In submitting the claims mentioned above, the Nova Scotia coal producers, and Welsh coal importers made strong representations petitioning that an import duty similar to that on bituminous coal be placed on steam sizes of anthracite.

Respectfully submitted,

C. P. HOTCHKISS,

Executive Secretary.

By Mr. Armstrong:

Q. Did you make any investigation in regard to the freight rates from the Alberta mines to the head of the lakes?—A. I am not a transportation expert.

Q. No, but you have been investigating the railway transportation end of it, have you not?—A. I have read about all the evidence that has been submitted by experts on that subject.

Q. The reason I ask is, that we had a man here from Owen Sound the other day, who claimed that coal could be carried for \$3 a ton from the Alberta mines to the head of the lakes.—A. Of course, the rate on Alberta coal into Winnipeg is much more than that. There is just one other thing. A witness the other day mentioned some freight rates on this chart. As I have said before, we are not rate experts; we simply submitted these rates to the railway company, and they were also gone over by the traffic department of the Board of Railway Commissioners. I have on my file the checks of these different men against these rates, and I believe in spite of that, that the rate to North Bay on this chart is wrong. I might say, though, that the other point is that the witness the other day used a C.N.R. rate tariff for coal, which moved over two lines, and you have to use the two different rates, which, added together, give the figure here.

Mr. BURY: That is important, because that rate tariff is embodied in the evidence.

Discussion followed.

[Mr. Hotchkiss.]

The WITNESS: We will take Timmins, for instance. He was figuring the mileage straight through from Montreal, whereas if it moves over the T. and N. O., you have to add this \$2.90 rate, and then take the T. and N. O. tariff, and add it up, to make a combination rate. However, it is not very important.

Now, there is one thing which has not been mentioned during your hearings, and that is regarding the situation in the Crows Nest Pass. Any consideration regarding changes in tariff would affect that district in a different way than it would affect any other of the coal mining areas; something over 50 per cent of their production is exported to the United States, and I only mention it as there has been no evidence given of that district before.

By the Chairman:

Q. They export half of their production to the United States?—A. Yes.
Discussion followed.

By Mr. Armstrong:

Q. Just before you go, Mr. Hotchkiss. You say that you were in Toledo just a few days ago, were not you?—A. Yes, sir.

Q. You went there for a purpose; what information did you bring to the Committee?—A. Well. I went there in connection with my other duties, sir, but while there I took occasion to go down and look at their loading equipment.

Q. And did you make any test of the time? Are you satisfied with the statements that have been put on the record in regard to these figures?—A. The loaders?

Q. Yes.—A. Oh yes. The rates for loading are set. There are several plants have up-to-date equipment along the lakes, and the loading charges vary from five to eight cents a ton. They are very fast.

Q. From five to eight cents a ton.

The CHAIRMAN: I think that finishes our witness for this afternoon.
Discussion followed.

The Committee adjourned.

ADDENDA

Statements submitted by the Deputy Minister of Mines, Dr. Camsell, relative to evidence given by him on May 21, which are as follows, namely:

1. Semi-anthracite deposits of the Groundhog area of British Columbia.
2. Iron ore rates from Duluth, Ashland and Marquette to lower Lake Erie ports.
3. Areas in Alberta from which coal should be obtained for the domestic market of Ontario.
4. Depreciation in weight of some western coals when exposed to the atmosphere.
5. Coal areas on the west coast of Cape Breton.
6. Bills introduced in the United States Congress relating to embargo on anthracite coal.
7. Coal production per man per day.
8. Smokeless coals of West Virginia.
9. Coal mergers in United States.
10. Average prices of Canadian coal at mines in Canada.
11. Sources of supply.

" NO. 1.—SEMI-ANTHRACITE COAL DEPOSITS OF GROUNDHOG AREA, BRITISH COLUMBIA

Numerous seams of semi-anthracite and semi-bituminous coal occur in the Groundhog area ranging in thickness from a few inches to over 20 feet, the combined thickness of the seams being placed at approximately 30 feet.

The coal seams occur at various horizons in rocks known as the Skeena series which in this district underlie an area of approximately 170 square miles. Only a small part of the area, however, is coal-bearing and the rocks have been subjected to complicated folding, thrust-faulting and crushing which has resulted in cutting-off and repeating many of the coal seams and giving them a great divergence in strike and dip in closely related areas, so that the correlating of seams observed is most difficult. As yet only a small amount of development work has been done and although several of the seams have been traced for considerable distances by means of prospect pits, the number of points at which the coal has been opened up are far too few to allow of even an approximate estimate of the tonnage of coal present being stated beyond that it probably runs into several hundred million tons. Much of this coal is unsuitable for mining, due either to high ash content, thinness of seam or badly crushed condition, and careful prospecting should be done before sites for tunnels and buildings are chosen.

OTTAWA, June 8, 1926."

" NO. 2.—ORE RATES FROM DULUTH, ASHLAND AND MARQUETTE TO LOWER LAKE ERIE PORTS

The steamship companies engaged in ore-carrying business from Duluth, Ashland and Marquette to lower Lake Erie ports handle this trade on a seasonal contract basis. The United States Steel Corporation let contracts at a fixed rate per gross ton for the season.

Most of the ore is shipped from Ashland but there are also large ore docks at Duluth. The ore boats use the United States locks at Sault Ste. Marie almost entirely.

On the return trip the boats usually carry cargoes of coal to be dumped on the coal docks at the head of the lakes, but do not seem to value the coal-carrying business very highly. If any appreciable delay is necessary in order to take on a cargo of coal, a boat will sometimes run back empty.

The contract rates on ore shipments and prevailing rates on return cargoes of coal for seasons of 1923, 1925 and 1926, are quoted hereunder:—

	ORE From Ashland and Duluth to lower Lake Erie ports	COAL From lower Lake Erie ports to head of lakes
1923.....	80c. per gross ton	40c. per net ton
1925.....	70c. " "	35c. " "
1926.....	70c. " "	35c. " "

The only quotation received on rates from Marquette to lower lake ports was for 1925, when the rate was 60 cents per gross ton.

OTTAWA, Ontario, June 8, 1926."

" NO. 3.—MEMORANDUM RE AREAS FROM WHICH COAL SHOULD BE OBTAINED FOR THE DOMESTIC MARKET OF ONTARIO

In attempting to designate the area or areas from which may be obtained the most suitable coal for the domestic market of Ontario it is necessary to consider a number of factors which bear upon this point. Among these may be included the following: (1) distance from the Ontario market; (2) thermal value; (3) handling qualities; (4) moisture content; (5) storing qualities and (6) price of coal at the pit mouth. In addition it is necessary to consider another factor, namely, the psychology of the individual consumer in Ontario.

The relative weight to be assigned to each of these factors would, no doubt, vary with each person making the estimate so that the final judgment of any person would be merely a matter of opinion. For these reasons it is impossible to give a definite answer to the question.

The coals of Alberta according to the definition of the Alberta officials are of three main classes, namely (1) bituminous coals; (2) sub-bituminous coals and (3) domestic coals; and they occur in three distinct geological formations, namely, the Kootenay, the Belly River and the Edmonton formations.

The sub-bituminous and domestic coals are those used for household purposes and these belong to the Belly River and Edmonton formations. In general the Belly River coals are of higher grade than the Edmonton coals because they are older and more mature. This, however, is not always true. Proximity to the mountains and the pressure to which the coal has been subjected by mountain building forces have frequently had a greater influence on the character of the coal than the effect of mere age, and although in general coals remote from the mountains are not as high grade as those nearer the mountains, it frequently happens that the normally lower grade westerly coals of the Edmonton formation when near the mountains are of higher grade than the easterly coals of the Belly River formation. Again, within the mountains or the foothills, owing to uneven pressure to which the rocks have been subjected, there are places where the same seam of coal may show marked variation in chemical and physical characteristics within a short distance.

These conditions add to the difficulty of designating a definite area from which coal for the Ontario market may be obtained.

The coal deposits of Alberta have been separated by the Research Council of Alberta into 45 distinct areas, embracing the bituminous, sub-bituminous and domestic varieties of coal. The delineation of these areas is based upon the chemical analysis of the coals and was done partly for marketing purposes. Good coals for domestic purposes of the sub-bituminous variety are produced in large quantities from such areas as Coalspur, Saunders and Lethbridge and of the domestic variety in the Drumheller and Taber areas. Other good coals are produced in lesser quantities from other areas.

However, since in previous shipments of coal to Ontario the government of Alberta designated the areas from which the coal should be shipped. I am of the opinion that in all future shipments the Alberta government should again be asked to designate the areas."

" No. 4.—MEMORANDUM RE DEPRECIATION IN WEIGHT OF WESTERN COAL WHEN
EXPOSED TO THE ATMOSPHERE

Based on information supplied by Professor E. S. Stansfield of the University of Alberta and the Staff of the Division of Fuels and Fuel Testing

Information regarding the loss in weight of western coal when exposed to the atmosphere, in the course of shipment or in storage, is meagre and unsatisfactory. The loss, for example, in the weight of western coal in transportation due to evaporation of moisture, is governed by the following factors:—

- (1) Temperature, humidity and pressure of the atmosphere when mined and shipped and during transit.
- (2) Type of car in which coal is shipped, e.g., box or open car.
- (3) Length of time coal is in transit.

However, in order to properly determine the loss in weight due to evaporation in moisture under these conditions, it will be necessary to have the weights of carload lots at time of loading and shipment and at time of arrival and unloading at destination. As a result of such observations as have been made on the

loss of weight in coal in storage or in shipment, the following conclusions are based:—

- (1) Coal shipped in open cars may undergo large changes of weight in transit—either of gain or of loss.
- (2) Coal shipped in box cars will normally not undergo a large change of weight. The change which would take place might be a gain with bituminous coal but more likely be a loss. In the case of sub-bituminous or lignitic coals, losses in weight only are to be expected in normal shipments.
- (3) Losses in weight in box car shipments will,
 - (a) Increase with the moisture content of the coal shipped.
 - (b) Increase with time taken in transit.
 - (c) Be greater in warm than in cold weather.
 - (d) Increase with the ratio of surface of coal exposed to weight of coal with equal ventilation;
 - (e) but decrease with decreased possibility of ventilation with fine coals such as slack or run of mine.

It is the opinion of Professor Stansfield of Alberta University, that the normal losses in weight during transit have been overestimated in the past; that in ordinary shipping from Alberta to Winnipeg, for example, the loss in weight of bituminous coal will always be less than $\frac{1}{2}$ per cent and will not exceed 2 per cent even with high moisture lignites during the winter months. The average loss with Drumheller coal, for example, he considers would probably be less than 1 per cent. However, if coal were visibly wet when loaded the losses would be higher.

Effect of Prolonged Storage.—Mr. Stansfield showed that *Saunders coal* with a moisture content of 9 per cent as mined lost slightly over 1 per cent after six months storage in sacks in shed.

Big Valley coal with a moisture content of 21 per cent as mined lost 3 to 4 per cent for similar storage for same length of time.

Camrose coal with a moisture content of 28 per cent as stored showed a loss of 9.6 per cent for lump coal and 12 per cent for egg coal, during six months storage in sacks under cover. The following table shows the losses in weight of coals in storage as determined by the staff of the Division of Fuels and Fuel Testing:—

Area	Average moisture content of mine samples	Moisture content after prolonged storage	Loss of moisture content during storage
	per cent	per cent	per cent
Taber.....	15.1	11.3	3.8
Drumheller.....	18.5	16.5	2.0
Pembina.....	19.1	15.8	3.3
Edmonton.....	25.2	18.1	7.1

The above losses in moisture contents were effected during storage in sacks or in bulk in bins under cover, and the losses if the same coals had been stored in the open cannot be estimated.

OTTAWA, June 8, 1926."

“ NO. 5.—COAL AREAS IN CAPE BRETON NOT CONTROLLED BY BRITISH EMPIRE
STEEL CORPORATION

Port Hood

Probable Reserves:

1 seam, 1 foot in thickness, on land, area 3 square miles, probable reserve of 3,000,000 metric tons.

1 seam, 6 feet in thickness, marine area 2 square miles, probable reserves of 12,000,000 metric tons.

Actual reserve has apparently not been determined.

Mabou

Actual Reserve:

2 seams, 6 and 7 feet, 1 square mile in area, marine, 12,000,000 metric tons.

Possible Reserve:

Area 3 square miles, 36,000,000 metric tons.

Broad Cove or Inverness

Actual Reserve:

6 seams, marine, aggregating 21 feet, 4 square miles, 86,000,000 metric tons.

6 seams, land, aggregating 7 feet, 4 square miles, 28,800,000 metric tons.

Total Reserves, 114,800,000 metric tons.

Remarks

Port Hood:

The Port Hood area is made up of a submarine synclinal trough of coal measures with its eastern limb exposed on the shore, and a land area covered by the lower part of the coal measures. The land area contains a few thin seams, one being 20 inches thick and may be considered as forming a small probable reserve, that is, a strip one mile wide and three miles long may be considered to have 1 foot of coal beneath it. The seam formerly worked at the coast dips beneath the sea at an angle of 21 degrees, flattening to 12 degrees at 2,000 feet from the outcrop. The coal is between 6 and 7 feet in thickness. Was mined at one time but work was discontinued and the entry was flooded by sea water.

Mabou:

The Mabou area is submarine, though the coal measures outcrop on Coal Mine and Findlay Points. Two seams are known, 6 and 7 feet in thickness, both being formerly mined by slopes. The measures dip seawards at an angle of 75 degrees or higher, but at 540 feet down the slope the dip changes to an easier angle of about 17 degrees. Was operated intermittently some years ago but was finally abandoned.

Broad Cove (Now Called Inverness):

At the mouth of Broad Cove river a narrow belt of coal measures, resting on Pre-Cambrian at the south and on Lower Carboniferous at the north, contains several seams, the exact area distribution of which has not been determined. It may be expected that an aggregate thickness of 21 feet of coal underlies the marine area, but as the lower beds only are found on the land area the thickness there will average about one-third that amount. The land area is less than five square miles and the sea area, at one mile wide, totals about four square miles.

Two mines are in operation. No. 1 Mine had reached a depth of 6,900 feet, in 1925, and in that year produced 109,760 tons of coal. No. 2 Mine in the same year had reached a depth of 2,300 feet and produced 7,450 tons of coal. The total production for 1925 was 117,210 tons.

OTTAWA, Ontario, June 8, 1926."

"No. 6.—BILLS INTRODUCED IN UNITED STATES CONGRESS RELATING TO EMBARGO ON ANTHRACITE COAL

By an act of the United States Congress on September 22nd, 1922, an agency of the United States was created and established, to be known as Federal Fuel Distributor, to be appointed by the President and to perform duties under his direction. Measures provided by Congress for the relief of National emergency in the matter of fuel were assigned jointly to the Federal Fuel Distributor and the Interstate Commerce Commission. The powers of the Interstate Commerce Commission were enlarged to include:

Authority to issue orders in transportation of fuel for:

- (a) priorities in car service,
- (b) embargoes,
- (c) other suitable measures, in favour of or against any carriers, region municipality, community, person, co-partnership, corporation.

Also authority to take any other necessary and appropriate steps for priority in transportation, equitable distribution of coal and other fuel, so as best to meet the emergency, promote the general welfare, prevent purchase or sale at prices unjustly or unreasonably high.

This was following the great strike in the anthracite coalfields which had occurred in that year—lasting from April 1st to September 10th.

The office of Federal Fuel Distributor, and also the United States Coal Commission, expired on September 22nd, 1923, by limitation of statute. The active life of the Coal Commission was eleven months. It employed at one time more than 500 persons.

In December, 1922, a resolution was introduced in the House of Representatives advocating that the Federal Fuel Distributor be directed to report to the House of Representatives on the amount of anthracite coal which had been shipped to Canada and other foreign countries since September 22nd, 1922, and the proportion which that amount bears to the total amount of anthracite coal produced in the United States since that date. And also as to the advisability of establishing an embargo upon the exportation of anthracite coal to Canada and to other foreign countries until such time as the requirements of the consumers of the United States are satisfied.

The resolution was referred to the Committee on Interstate and Foreign Commerce.

In December, 1923, a Bill declaring an embargo on anthracite coal was introduced in the House of Representatives. The Bill was referred to the Committee on Interstate and Foreign Commerce and was reported against by the Committee.

Two Bills authorizing the President to declare an embargo on either anthracite or bituminous coal, or both, were introduced in the House of Representatives, in December, 1925, and were referred to the Committee on Interstate and Foreign Commerce. Both were reported against by the Committee.

On May 5th, 1926, a Bill was introduced in the Senate of the United States, providing for fact-finding machinery vested in Bureau of Mines and also giving certain powers to the President in regard to labour relations, and in event of failure to settle disputes, authorizing the President to create an Emergency Coal Board and also empowering the President, in event of national emergency, to declare operative and in full effect the Act passed in September, 1922, providing for emergency distribution and appointment of Fuel Distributor.

Reports from Washington indicate that this measure is likely to pass the Senate but may not go through the House of Representatives.

OTTAWA, Ontario, June 8, 1926."

"NO. 7.—COAL PRODUCTION PER MAN PER DAY IN THE COAL PRODUCING PROVINCES OF CANADA

The information herewith, showing the output per man-day in the Canadian coal mines has been supplied by the Dominion Bureau of Statistics.

Compilation of this per capita production includes all colliery employees except the office administrative staff. That is, it includes not only the underground miners but also the surface men, helpers, water-boys, etc.

From the pay-lists the total number of man-days is computed and this factor divided into the total output gives the output per man per day. The number of pit-days, or the time during which coal was actually mined, does not enter into the calculation as there is usually loading and cleaning-up to be done after mining operations have ceased, which must be charged against the output.

The above mentioned method of determining the man-day output is used by the Dominion Bureau of Statistics and is also used throughout the United States.

It will be noted that the production per man-day, in a given district or province, varies from year to year and this variation is often caused by different conditions which last for a longer or shorter time. For example, explosions, new developments, and the opening-up of new mines or closing of old ones are variable factors which affect the per capita production. Thus it will be seen, that while the output per man-day has a bearing on the working cost and may indicate in a measure the mining facilities existing and the improvements made in these conditions from year to year, it could not be taken as a single factor to determine the actual cost of mining.

A table showing the coal production per man-day in the coal producing provinces of Canada is attached hereto.

OTTAWA, Ontario,

June 8, 1926."

TABLE SHOWING COAL PRODUCTION PER MAN PER DAY IN THE COAL PRODUCING PROVINCES OF CANADA

Year	Province	No. of man-days work done by colliery employees	Production	Production per man-day
			Short tons	Short tons
1921	Nova Scotia.....	2,905,954	5,734,928	1.97
1922	".....	2,965,892	5,569,072	1.87
1923	".....	3,521,076	6,597,838	1.87
1924	".....	2,527,432	5,557,441	2.19
1925	".....	*	*	*
1921	New Brunswick.....	92,838	187,192	2.01
1922	".....	149,586	287,513	1.92
1923	".....	164,896	276,617	1.67
1924	".....	129,772	217,121	1.67
1925	".....	167,069	208,012	1.24
1921	Saskatchewan.....	82,623	335,632	4.06
1922	".....	104,785	382,437	3.64
1923	".....	116,759	438,100	3.75
1924	".....	111,122	479,118	4.31
1925	".....	110,741	471,965	4.26
1921	Alberta.....	2,174,439	5,909,217	2.71
1922	".....	2,095,827	5,990,911	2.85
1923	".....	2,258,510	6,854,397	3.03
1924	".....	1,632,212	5,189,729	3.17
1925	".....	*	*	*
1921	British Columbia.....	1,643,973	2,890,291	1.75
1922	".....	1,587,904	2,927,033	1.84
1923	".....	1,533,179	2,823,306	1.84
1924	".....	1,280,142	2,193,667	1.71
1925	".....	1,443,337	2,742,252	1.89
1921	Yukon.....	186	233	1.25
1922	".....	50	465	9.30
1923	".....	50	313	6.26
1924	".....	462	1,121	2.42
1925	".....	431	730	1.69

*Not available.

Prepared by M. M. & C. Branch of
Dominion Bureau of Statistics.
May 27th, 1926.

"No 8.—SMOKELESS COALS OF WEST VIRGINIA

The coalfields of West Virginia producing low volatile or "smokeless" coals are known as Pocahontas, Winding Gulf, New River and Tug River districts.

The coals are characterized as being low in volatile matter and high in heat content. When burned there is very little smoke given off, hence, to the trade they are known as smokeless coals.

They are first class steam-producing coals and have been used a great deal by the United States navy. There is little depreciation in storage and little or no danger of spontaneous combustion.

Conclusions drawn from tests on New River coal, under severe conditions of outdoor exposure to the weather, are that deterioration in heating value is approximately 1 per cent in the first year of storage, 2 per cent in the first two years, and not over 3 per cent in five years.

The coals of the Pocahontas Group, which include Winding Gulf and Tug River districts, are about the same in fuel value as those of the New River field. The main difference is that the former contain 4 to 7 per cent less of volatile matter. Both are of the coking type. Pocahontas coal is often used for mixing with coals containing higher volatile matter, in the by-product oven.

The sootless qualities of these coals and their low ash content make them desirable for domestic purposes. In the middle western United States they have in recent years almost replaced anthracite. The city of Chicago uses upwards of 2,000,000 tons annually for domestic purposes, and in the cities of Detroit, Cleveland and Buffalo these coals have become a strong competitor with anthracite. A considerable tonnage is sold for domestic purposes in Winnipeg, and during the past winter Pocahontas coal featured in the Toronto market as a substitute for anthracite. Up to the present time there seems to have been very little demand for these coals for domestic purposes in Montreal.

Pocahontas No. 3 Seam, known also as Pocahontas Thick Vein, produces about 90 per cent of the tonnage shipped from the Pocahontas region and is the main source of the celebrated Pocahontas steaming and coking coal, one of the purest coals in the United States. This coal is soft by nature and car shipments contain a relatively small percentage of lumps. If properly fired, however, it is not necessary to have more than 15 to 20 per cent of coarse coal, as Pocahontas, being a coking coal, will fuse together and furnish sufficient lumps in the form of coke to cover the grate and hold the next charge when fired.

The following is a general analysis of Pocahontas No. 3 Seam.

Moisture.....	2.60
Volatile Matter.....	17.75
Fixed Carbon.....	75.00
Ash.....	4.65
Sulphur.....	0.65
B.T.U.'s.....	14,635

Retail Prices in Toronto and Winnipeg—

The retail price in Toronto reached \$14 per ton in February, when the strike in the anthracite coal fields was in progress, but present quotations are around \$12 per ton. In Winnipeg, Pocahontas lump is retailing at the present time at \$15 per ton delivered in customers bins in any part of the city.

Coal Reserves—

In "Coal Resources of the World" these coals are described as semi-bituminous, with estimated reserves (original amount) quoted as being 27,132,000,000 metric tons.

If the present reserve were assumed to be 24,000,000,000 tons and annual production to be 40,000,000 tons—present production is around 40,000,000 tons—the coal supply would last 600 years.

Production—

From 1920 to 1924 the production of the above mentioned fields was as follows:—

1920.....	32,374,128 net tons
1921.....	28,719,055 "
1922.....	33,768,766 "
1923.....	35,778,101 "
1924.....	38,506,465 "

In the year 1925, total shipments for 10 months, January to October, amounted to 37,518,307 net tons, an increase of 5,799,230 tons over the corresponding period in 1924.

Quantity used for Domestic purposes in Central Canada—

In 1924, when the Dominion Fuel Board conducted a survey of stocks of domestic fuel in Central Ontario and Quebec, sales of American bituminous coal for domestic purposes was reported by dealers as follows:—

	Sold to Ontario Consumers	Sold to Quebec Consumers
	net tons	net tons
1923.....	160,351	21,410
1924.....	239,740	106,863

Total for Ontario and Quebec, 1923 190,761
 Total for Ontario and Quebec, 1924 346,603

No figures are available regarding quantities used for domestic purposes in Winnipeg.

OTTAWA, Ontario,
 June 8, 1926."

" No. 9 MERGERS

Merger of Kansas Mines.—Involving nineteen companies and a capital of \$10,700,000. The nineteen companies involved are situated in the vicinity of Pittsburg, Mo., some of them being in Cherokee and Crawford counties. Companies involved are:

Mulberry Coal Company,
 Pittsburg Block Coal Company,
 Valentine Coal Company,
 Carney-Cherokee Coal Company,
 Superior Coal Company,
 Liberal Coal Company,
 Sheridan Coal Company,
 Pittsburg-Oskaloosa Coal Company,
 N. & S. Coal Company,
 Linden Coal Company,
 United States Coal Company,
 Domestic Fuel Company,
 Clemens Coal Company,
 Reliance Coal Company,
 Dean Coal Mining Company,
 Crowe Coal Company,
 Carbon Coal Company,
 Central Coal Company.

Iowa Coal Merger.—This is comprised of merging forty Iowa coal mines owning 12,000 acres of coal lands and controlling 13,000 additional acres through lease. Control will be by Appanoose Coal Company. Amount of capital involved not given.

Indiana Coal Merger.—The Sunlight Coal Company is being consolidated with the Verona Coal Company of Chicago and the Leland Coal Company. Each of these companies have properties in Kentucky, Illinois and Indiana. The amount involved in the consolidation is not disclosed but the capital stock of the new company is increased from \$250,000 to \$2,000,000.

The Tennessee By-Products Company with a capital of \$25,000,000 is the name of the completely reorganized interests comprising of the Bon Air Coal and Iron Corporation and the Tennessee Consolidated Coal Company of Chattanooga, Tenn. This company will manufacture charcoal and various by-products and also go into mining on a larger scale.

Merger of the Massachusetts Gas Companies.—Recent bond issue amounts to \$18,000,000 which goes to finance the purchase of Castner, Curran & Bullitt, Inc. interests and the Massachusetts Gas Companies, which is the parent company of the New England Fuel and Transportation Company and the New England Coal and Coke Company. This is one of the largest industrial enterprises in New England.

West Virginia smokeless merger completed after nearly a year of conferences. This merger is headed by the Massachusetts Gas Companies which is known in New England as a merger of public utilities. This company recently acquired the New England Fuel and Transportation Company as noted above.

This merger will consolidate the undermentioned low volatile producing companies operating in the Beckley seam:

E. E. White Coal Company, operating at Glen White, West Va., and producing about 1,000,000 tons annually. The mines of this company are two of the largest in the Winding Gulf District.

The P. M. Snyder group of mines constitute the East Gulf Coal Company, the Pemberton Fuel Company, Princewick Coal Company, Longbranch Coal Company and the Glenco Coal Company. These companies have an aggregate annual tonnage of about 800,000 tons. Castner, Curran, Inc., the original selling agency will also be purchased.

About \$10,000,000 is involved in this merger.

The Logan Companies Merger.—Consists of 41 coal companies controlled by the Thurmond interests in the Logan field. These are being merged into one large company known as the Thurmond Consolidated Coal Company, capitalized at \$1,000,000. The four companies are:

Argyle Coal Company,
Thurmond Coal Company,
Logan Eagle Coal Company,
Perry Branch Coal Company.

The annual capacity is approximately 750,000 tons.

Consolidation of the Elkhorn Coal and Coke Company and the Mill Creek Coal and Coke Company took place on January 1, 1925. These properties are among the best of the Pocahontas field. No capital given.

Consolidation of three coal companies in southern West Virginia has been completed. The new name of this company is the Superior Fuels Company, with a capital stock of \$2,500,000. The consolidation was with a group of anthracite companies in Pennsylvania. The companies in the merger are:

Blue Ridge Coal Company,
Swiss By-Products Coal Company,
Export Coal Company.

The mines operated by this merger will have a capacity of about 4,000 tons daily.

West Kentucky merger completed. Consolidation will include:

Western Collieries Company,
Magic Collieries Company,
Ilsley Mining Company,
Sunlight Mining Company,
(All of these have strip mines.)
Norton Coal Mining Company,
Empire Coal Company,
(Underground mines.)

The amount involved is in the neighbourhood of \$5,250,000.

Kentucky West Virginia merger, known as the Wakenva Coal Company at Richmond, Va. Through this the following companies are being brought under one head:

Beaver Creek Coal Company,
Camp Branch Coal Corporation,
Floyd Elkhorn Collieries Company,
Graden Coal Company,
Hazard-blue Grass Coal Corporation,
Hill Creek Coal Company,
Kennedy Coal Corporation,
Kroll-Litz Coal Company,
Lewis-Creek Banner Company,
Nora Coal Corporation,
Sandy Ridge Coal Company,
Upper Banner Coal Company,
Virginia-Banner Coal Corporation,
Walkders Branch Mining Company.

The capitalization is roughly \$9,750,000 and the production 2,000,000 tons yearly.

OTTAWA, June 8, 1926."

No.10—AVERAGE PRICE OF CANADIAN COAL AT THE MINES BY DISTRICTS, AS GIVEN IN THE REPORTS OF THE DOMINION BUREAU OF STATISTICS

NOVA SCOTIA

District	Year	Run of Mine	Screened	Slack
		\$ cts.	\$ cts.	\$ cts.
Cape Breton.....	1923	4 54	6 15	3 60
	1924	4 22	5 71	2 80
	1925	4 43	6 40	1 65
Cumberland.....	1923	4 58	5 41	2 61
	1924	4 04	4 90	2 19
	1925	4 58	5 48	2 40
Inverness.....	1923	4 85	5 91	1 67
	1924	5 14	6 73	2 00
	1925	5 08	5 94	1 87
Pictou.....	1923	4 78	5 93	4 20
	1924	4 75	5 86	4 19
	1925	4 87	6 03	3 79
Average for Nova Scotia.....	1923	4 63	5 57	3 03
	1924	4 30	5 23	2 51
	1925	4 65	5 66	2 40

NEW BRUNSWICK

	1923	4 04	5 19	2 47
	1924	4 22	4 42	2 30
	1925	4 09	4 60	2 68

SASKATCHEWAN

	1923	2 15	2 54	0 80
	1924	2 09	2 39	0 98
	1925	2 11	2 26	0 95

BRITISH COLUMBIA

District	Year	Run of Mine	Screened	Slack
		\$ cts.	\$ cts.	\$ cts.
Crows Nest Pass.....	1923	4 74	6 13	4 25
	1924	4 23	5 87	4 33
	1925	3 89	5 00	3 20
Inland.....	1923	3 92	5 96	4 00
	1924	4 56	5 62	3 60
	1925	4 45	5 25	3 07
Island.....	1923	.....	6 66	3 71
	1924	4 75	6 71	3 76
	1925	5 34	5 87	3 56
Average for British Columbia.....	1923	4 13	6 28	3 89
	1924	4 52	6 20	3 82
	1925	4 43	5 45	3 23

ALBERTA

BITUMINOUS

Brazeau.....	1923	4 62	.....	.....
	1924	3 00	4 68	.....
	1925	.....	.....	.....
Canmore.....	1923	5 70	6 03	4 48
	1924	5 28	6 03	3 66
	1925	.....	.....	.....
Crows Nest Pass.....	1923	4 83	6 82	4 60
	1924	4 61	6 57	4 35
	1925	3 62	4 56	2 38
Jasper Park.....	1923	4 85	.....	.....
	1924	5 05	.....	.....
	1925	.....	.....	.....
Mountain Park.....	1923	4 71	.....	.....
	1924	4 33	4 04	.....
	1925	4 00	4 25	.....

ALBERTA

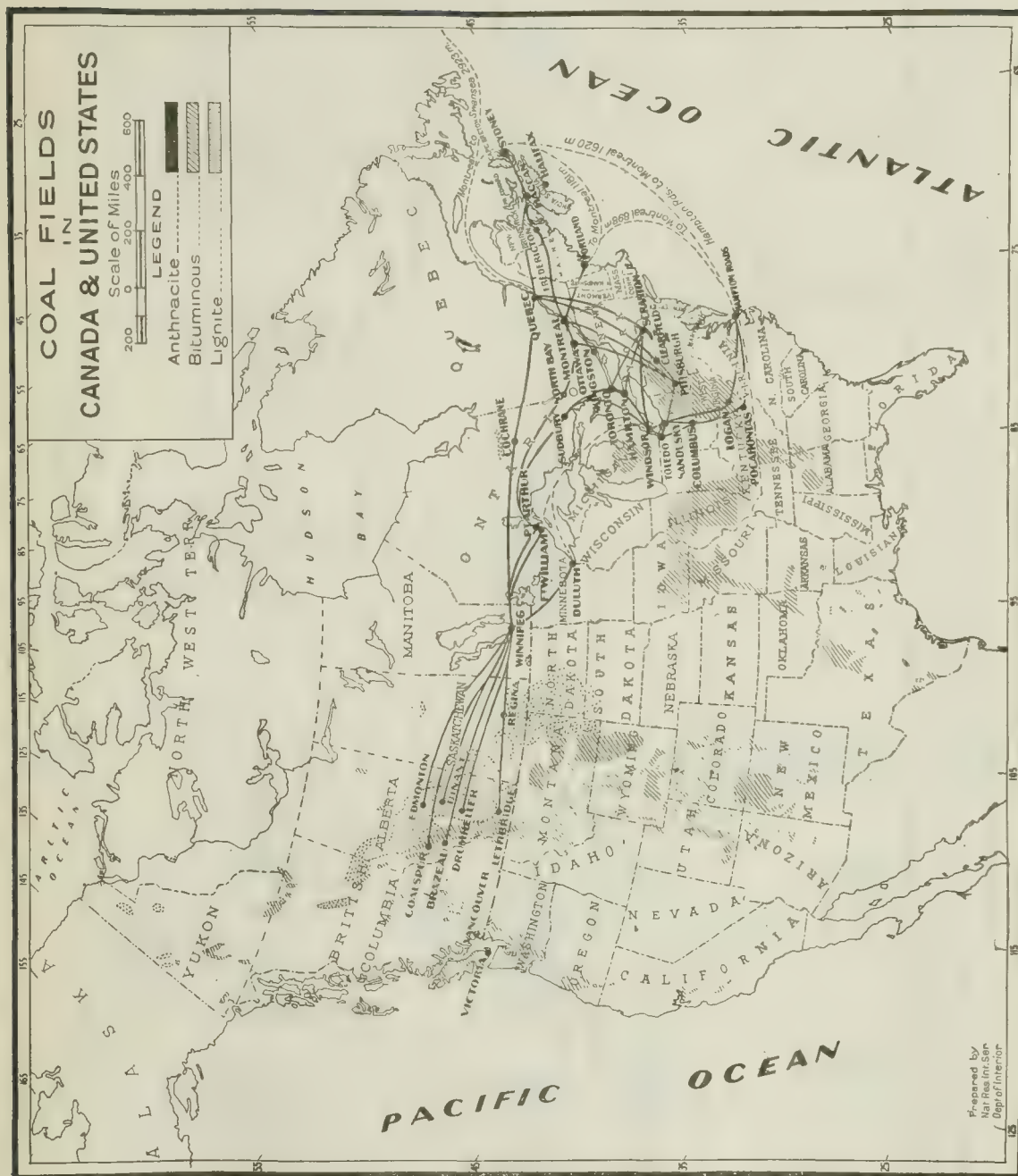
SUB-BITUMINOUS

Calgary, High River, Pincher Creek, Saunders, Yellowhead Pass and Lethbridge

		Run of Mine	Screened	Slack
		\$ cts.	\$ cts.	\$ cts.
Average for 1923.....		3 61	4 91	1 13
" 1924.....		3 74	4 24	1 11
" 1925.....		3 64	4 19	1 01

DOMESTIC

District	Year	Run of Mine	Screened	Slack
		\$ cts.	\$ cts.	\$ cts.
Edmonton.....	1923	2 00	3 62	0 67
	1924	3 12	3 67	0 62
	1925	2 42	3 05	0 66
Drumheller.....	1923	3 69	4 11	0 62
	1924	3 25	4 10	0 66
	1925	3 49	3 57	0 58



Prepared by
Nat Res. Div. Ser.
Dep. of Interior

U.S.A. COAL FIELDS (BITUMINOUS)

PITTSBURG TO			GREENBURG TO		
	390 miles	295 miles		499 miles	397 miles
Belleville.....	\$3 74	Messana.....	\$2 96	Belleville.....	\$3 74
Buffalo.....	174	24	4 20	Buffalo.....	24
Cobourg.....	350	Montreal.....	477	270	Montreal.....
Guelph.....	315	3 74	4 01	Cobourg.....	3 74
Hamilton.....	230	Ottawa.....	500	450	Ottawa.....
Hawkesbury.....	490	3 64	3 94	Detroit.....	3 64
Huntington.....	380	Owen Sound.....	398	318	Owen Sound.....
Kingston.....	405	3 14	3 03	Guelph.....	3 14
London.....	390	Prescott.....	300	440	Prescott.....
		4 19	370	349	4 32
		Quebec.....	349	693	Quebec.....
		3 29	425	693	Rouse Pt.....
		Rouse Pt.....	425	504	3 43
		4 04	530	504	Shawinigan.....
		Shawinigan Falls.....	530	549	4 04
		Toronto.....	275	425	Toronto.....
		3 64			3 64
					Windsor.....
					3 84

PENNNSYLVANIA AND OHIO COAL TO BUFFALO, DETROIT AND CANADIAN POINTS

[illegible]

WEST VIRGINIA COAL FIELDS TO U.S. AND CANADIAN POINTS

WHEELING TO		BLUEFIELD TO		CHARLESTON TO			
Buffalo.....	336 miles	\$2 39	Buffalo.....	738 miles\$3 48	Buffalo.....	621 miles	
Detroit.....	361	2 60	Detroit.....	506	2 85	Detroit.....	389
Hamilton.....	404	3 14	Hamilton.....	702	4 25	Quebec.....	127
Quebec.....	947	6 04	Quebec.....	1244	6 85	Montreal.....	957
Montreal.....	776	4 94	Montreal.....	1074	5 75	Toronto.....	623
Toronto.....	442	3 24	Toronto.....	740	4 25	Hamilton.....	585
Windsor.....	363	3 30	Windsor.....	508	3 55	Windsor.....	391
			Ottawa.....	5 75			

WEST VIRGINIA AND KENTUCKY COAL TO TOLEDO FOR GREAT LAKES	WEST VIRGINIA COAL FIELDS AND KENTUCKY COAL FIELDS TO HAMPTON ROADS	CURRENT OCEAN RATES BY CHARTERED VESSELS
New River, Pocahontas, etc., to Toledo & Sandusky for shipment up Great Lakes.....\$	2 06 New River, Pocahontas, etc., to Hampton Rds.) Tidewater.....\$	Hampton Roads to New York.....\$ 0 75
Kanawha, Logan & Kentucky to Toledo & Sandusky.....	1 91 Kanawha and Logan, etc., to Hampton Rds. Kentucky Division to Hampton Rds....	2 25 Hampton Roads to New England 0 85 2 34 Hampton Roads to Montreal 1619 miles 90c.-1 10 2 43 Swansea to St. Lawrence Ports..... 1 50-2 50

SECTION 316—SPECIAL PROVISIONS, UNITED STATES TARIFF ACT

(Dumping)

(Submitted by Mr. Hotchkiss—see Evidence, pages 317-331)

(a) That unfair methods of competition and unfair acts in the importation of articles into the United States, or in their sale by the owner, importer, consignee, or agent of either, the effect or tendency of which is to destroy or substantially injure an industry, efficiently and economically operated in the United States, or to prevent the establishment of such an industry, or to restrain or monopolize trade and commerce in the United States, are hereby declared unlawful, and when found by the President to exist shall be dealt with in addition to any other provisions of law as hereinafter provided.

(b) That to assist the President in making any decisions under this section the United States Tariff Commission is hereby authorized to investigate any alleged violation hereof on complaint under oath or upon its initiative.

(c) That the Commission shall make such investigation under and in accordance with such rules as it may promulgate and give such notice and afford such hearing, and when deemed proper by the commission such rehearing with opportunity to offer evidence, oral or written, as it may deem sufficient for a full presentation of the facts involved in such investigation; that the testimony in every such investigation shall be reduced to writing, and a transcript thereof with the findings and recommendation of the commission shall be the official record of the proceedings and findings in the case, and in any case where the findings in such investigation show a violation of this section a copy of the findings shall be promptly mailed or delivered to the importer or consignee of such articles; that such findings, if supported by evidence, shall be conclusive, except that a rehearing may be granted by the commission, and except that, within such time after said findings are made and in such manner as appeals may be taken from decision of the United States Board of General Appraisers, and appeal may be taken from said findings upon a question or questions of law only to the United States Court of Customs Appeals by the importer or consignee of such articles; that if it shall be shown to the satisfaction of said court that further evidence should be taken, and that there were reasonable grounds for the failure to adduce such evidence in the proceedings before the commission, said court may order such additional evidence to be taken before the Commission in such manner and upon such terms and conditions as to the Court may seem proper; that the Commission may modify its findings as to the facts or make new findings by reason of additional evidence, which if supported by the evidence, shall be conclusive as to the facts except that within such time and in such manner an appeal may be taken as aforesaid upon a question or questions of law only; that the judgment of said court shall be final, except that the same shall be subject to review by the United States Supreme Court upon certiorari applied for within three months after such judgment of the United States Court of Customs Appeals.

(d) That the final findings of the Commission shall be transmitted with the record to the President.

(e) That whenever the existence of any such unfair method or act shall be established to the satisfaction of the President, he shall determine the rate of additional duty, not exceeding 50 nor less than 10 per centum of the value of such articles as defined in section 402 of Title IV of this Act, which will offset such method of Act, and which is hereby imposed upon articles imported in violation of this act, or, in which he shall be satisfied and find are extreme cases of unfair methods or acts as aforesaid, he shall direct that such articles as

shall deem the interests of the United States shall require, imported by any person violating the provisions of this Act, shall be excluded from entry into the United States, and upon information of such action by the President, the Secretary of the Treasury shall through the proper Officers assess such additional duties or refuse such entry and at the decision of the President shall be conclusive.

(f) That whenever the President has reason to believe that any article is offered or sought to be offered for entry into the United States in violation of this section but has not information sufficient to satisfy him thereof, the Secretary of the Treasury shall upon his request in writing forbid entry thereof until such investigation as the President may deem necessary shall be completed provided that the Secretary of the Treasury may permit entry under bond upon such conditions and penalties as he may deem adequate.

(g) That any additional duty or any refusal of entry under this section shall continue in effect until the President shall find and instruct the Secretary of the Treasury that the conditions which led to the assessment of such additional duty or refusal of entry no longer exists.

A SUB.

INDEX

INDEX OF THE EVIDENCE

INDEX OF COMMUNICATIONS CONSIDERED, AND DATA SUB-
MITTED RELATING TO EVIDENCE

INDEX, GENERAL

INDEX OF THE EVIDENCE

AIRD, HARRY, Director, Canadian Import Company, Montreal:—Dock operations and distribution—Factors which enter into transportation costs, Montreal westward to lake ports, 16-19—Freight rate on coal, Montreal to Cornwall—Estimate of freight rate, Montreal to Kingston, Toronto and Hamilton—Possible tonnage for canal navigation—Loading and unloading equipment—Adaptability of Government Merchant Marine boats, considered, 17-24—Volume of tonnage a factor in cost of transportation—Breakage of coal in handling, how reduced—Sydney to Toronto, approximate cost of carrying and unloading, 25-28—Carrying charges assuming large volume of tonnage—British Empire Steel Corporation's endeavour at carrying coal to Toronto—Cape Breton coal popular at Montreal—Coking ovens considered, for Montreal—Sulphur contents in coal, elimination of, considered, 30-31—Comparative freight rates, Cape Breton, and American coal, to Ottawa—Cape Breton to Toronto, 31-32—Delivery costs, domestic coal at Montreal—Storage—Moisture, Nova Scotia and American coals—Extent of Cape Breton coal used in Quebec—No reason why it should not meet Ontario requirements, 33-35—What Canadian National Railways and other concerns do *re* storage, 35-38.

BAXTER, HON. J. B. M., Premier of New Brunswick:—Proposition *re* coal mines of New Brunswick—Prejudice against soft coal for domestic use where urban centres have been using anthracite—Turning coal into coke which is a cleaner fuel than anthracite—Owing to gas produced from soft coal converted into coke such must be manufactured in urban centres—By-products—Problem, two-fold: assistance to enable construction of coke-ovens, and transportation of raw material to centres in central provinces—Effect of duty on slack coal—Railway freight rates from Minto mines, N.B., to various points in Quebec and to Ottawa—Freight rate allowance—Reduction of freight rate by 50 cents per ton, or say, reduction of mileage by 300 miles would enable New Brunswick coal to compete with imported American coal at Montreal and Ottawa—Allowance to Alberta *re* freight rate at \$7 per tonnage haul, considered as against previous suggestion of 50 cents freight reduction on Minto coal—Railway hauls obtain for Minto coal while water hauls obtain for Nova Scotia coal, hence Minto's greater difficulty to compete—Canada might share in the common advantage to constitute a federation bound together by commercial ties, 181-183—Various questions and replies *re* C.P.R.'s: contract for Minto coal, Royalties, Anti-dumping law, etc., 184-186.

BRITT, THOMAS, General Fuel Agent, Canadian Pacific Railway Company:—Purchases of Canadian and American coals for each division of the railway—Stations heated with Canadian and American coke—Amount of coal used for bunkering steamers—Locomotives use western coal westerly of Kenora—Lake boats coal at Fort William, sometimes at Port McNichol—Prices of coal considered, 83-86—Bought 65,000 tons of Springhill and between 40,000 and 60,000 principally of Acadia mines for eastern division of C.P.R. and Dominion Atlantic—Montreal, Quebec and Ottawa is all American coal—McAdam's is partly American and partly Minto—Comparative prices of Canadian and American coals used in St. Lawrence division—Prices considered, 92-95—Efficiency—Comparative values of Canadian and American coals—Prices—Selection of mines in United States, 95-97—Mines in west situated on C.P.R. lines, 98—Maritime coal used as far west as possible, 100.

BUCHANAN, WILLIAM, Coal and Coke Merchant, London:—Retailled Alberta coal last two years—5,000 tons—Purchase and sale prices—Freight rates—Experience was successful—Customers satisfied—Slack portion of coal used at night for banking—Produces a sample lump—Sold car lots in surrounding towns—Stored 100 tons July to October—Edmonton and Drumheller—Distribution cost—Could handle 20 cars per month—Port others—Alberta coal compared with anthracite—Shipped in box cars, 119-121—Prices of Edmonton and Drumheller—Distribution cost—Could handle 20 cars per month—Port Stanley rate to London, 122-123—American anthracite pretty well worked out—Campaign of education in Ontario *re* Alberta coal and its success—A few cars shipped to Ontario, one to London, given as a present—Freight on same, 124—Port Stanley facilities for unloading—Number of "Unfit for grain" cars used in carrying coal—Empty cars—Suggestions *re* seasonal storage of coal, 125-127.

BURCHELL, GEORGE B., Managing Director, Bras D'Or Coal Company, Nova Scotia:—Production, where sold—Output of mines—Obstacle to greater production, no market and high freight rates—Quality and suitability of coal produced—Quantities sold last year to C.N.R., etc., price at mine—Freight rates, rail and water to Montreal, Quebec and Halifax—Cannot meet American coal prices at Halifax—Quantity of American coal shipped Halifax this year—Coke—If working at full capacity say 300,000 tons, cost of coal at pit-mouth could perhaps be reduced to \$3.50; now \$4.20 for 80,000 tons production, 258-263. See also Statement *re* Output, etc., 305-306.

CAMSELL, CHARLES, Deputy Minister of Mines:—Coal fields in North America—Canada's domestic fuel problem—Pennsylvania and British Columbia anthracite—Freight rates on American and British Columbia coals to Canada, 1-4—Quality of Alberta coal: Drumheller Valley, Saunderson's Creek and Mountain Park areas—Moisture and grading—Transportation, a factor, 4-7—Geological conditions and processes of mining relative to cost—Blending of coals for coking and other purposes—Nova Scotia coal fields—Hamilton coking ovens—What constitutes the difference between Lignite and Bituminous coal—Cost of transportation Sydney to Montreal, 7-8—Trans-shipment at Montreal for Lake Ontario ports, 9—Alberta coal, 10—American anthracite, 11—Attempt at embargo legislation at Washington, 11—Canadian and American soft coals for coking, compared, 12-14—Elimination of sulphur from coal, 13—Output per man, per hour, considered, 14—Mergers—Data requested, 14-15—Importance of knowing price of coal at pit-mouth, 15-16—*Recalled and further examined for Evidence:* Respecting semi-anthracite deposits of the Groundhog area of British Columbia, underlying 170 square miles in extent—Iron ore rates from Duluth, Ashland and Marquette to lower Lake Erie ports—Coal rates from lower Lake Erie ports to the head of the Lakes—Areas in Alberta from which coal should be obtained for the domestic markets of Ontario, 309-310—Depreciation in weight of some western coals when exposed—Coal areas on the west coast of Cape Breton, 311—Bills introduced in the United States Congress relating to embargo on anthracite coal, 312—Coal production per man, per day—Smokeless coals of West Virginia, 312-313—Coal mergers in the United States, 313—Average prices of coal at mines in Canada—Sources of supply, 313-314. *See also* pages 322-347, for Data as requested.

COOTE, G. G. (M.P.):—Expresses appreciation of Dr. Camsell's statement respecting the high grade of fuel properties of coal in Highwood and Cat Creek areas—Crow's Nest Bituminous coal compared with Anthracite egg as to size, 316-317.

CORNELL, F. C., Traffic Manager, Maritime Transportation Committee:—Experience on freight conditions and rate structures of various roads in Canada—Investigation of present Maritime freight rates on coal now being made, Sydneys, Springhill, Minto to Quebec, Three Rivers, Montreal and points west of latter—Quotes an extract from the official history of the Intercolonial Railway by Sir Sandford Fleming, 1876, *re* the detour round the North shore which authorities had to make to avoid entering the State of Maine—British Government would not otherwise guarantee bonds—Shows distances how lengthened thereby to Montreal from St. John, Halifax, etc.—Consequences resulting therefrom—Route from Springhill coal fields to Montreal lengthened by 200 miles—Rail hauls compared, rail haul rates figures based on the longer hauls with corresponding reduced figures for shorter hauls—Unfair to saddle on the Maritime provinces traffic the unnecessary 200 miles of track built for military reasons, 279-282—Mileage C.N.R. and C.P.R. Springhill to Montreal and Ottawa—Empty car tonnage—Freighting of coal during the grain movement possible—Using the Alberta rate of \$7 per ton, for comparison the rate from Springhill to Montreal should be reduced from \$3.60 to \$2.40 per ton—From Minto it would be about \$2 instead of \$2.75—From Sydneys between \$3.50 and \$3.60 instead of \$4.50—Quotes freight rates on coal from C.N.R. Coal Tariff CC-82, C.R.C. E-1014, January 15, 1926, Montreal-North Bay, etc., 283-284.

CRAIG, HON. W., Attorney-General of Manitoba:—Assures co-operation of Manitoba in the adoption of a National Fuel Policy—How Alberta coal has supplanted all other coal supply in Manitoba in recent years—Campaign of education and demonstrations in Winnipeg and what such have realized—Reads Statement prepared by the Conference, intitled "Fuel Production and Distribution"—What co-operation on the part of Manitoba and Saskatchewan accomplished in the experimenting of briquetting of lignite—How Alberta's best grades of coal gradually won greater confidence in Winnipeg—Competes with American anthracite, generally—Inspection of coal considered—Believes Alberta government keenly alive to encourage shipments of nothing but the best quality—Grades of various mines are different—Conditions in regard to the quality of coal received from Alberta have been generally satisfactory, 197-200.

CREIGHTON, A. J., Coal Merchant, and R. H. McWILLIAMS, Stone Quarry Operator, Owen Sound, Ontario:—Have dealt in Alberta coal for about two years—Difficulty taking care of the disintegrated part of shipment received when the idea of a briquetting plant was thought necessary, 285-286—Endeavour to arrive at an understanding with Sir Henry Thornton's representative *re* freight rate on coal from Drumheller area to head of Lakes—Rates by water, Lake Erie ports and Detroit to Owen Sound—With a Tuttle equipment for unloading at head of the Lakes, see no reason why Alberta coal could not be brought down to Ontario and in a short time replace American anthracite, 286-287—The Captain James Foot proposition *re* water rates for coal, head of the Lakes to Owen

Sound at \$1 per ton, and Canada Steamship Lines proposition at 50 cents per ton, considered—Further evidence *re* conference with Sir Henry Thornton's representative, 287-289—Rate from West Virginia to Lake ports including loading charges, \$1.99 obtained from the Craig Coal Company—Water transportation for coke to Owen Sound dock, 65 to 85 cents—Suggest that briquetting plants be established to take care of the disintegrated portion wherever Alberta coal is delivered in Ontario—About 10 per cent would be the disintegrated portion—Prices of coke last September soaring from \$6.40 at Buffalo to \$13, 289-290—Coal freighted from Alberta to Ontario must follow the natural channels of grain shipments, namely the course of least resistance—Mr. McWilliam's summing up of amount of money saved to Dominion of Canada were 2½ million tons of Alberta coal brought to Ontario *via* rail and water—Is opposed to freighting coal in box cars—Ample facilities at Owen Sound, 290-293—Disintegration of coal at discharge points, percentage of, 294—Mr. McWilliams completes statement *re* distribution—Average cost of coal at Drumheller and Edmonton mines, and freight to head of the Lakes, thence to Owen Sound based on the "principle of freight rates," 294-297—Experimental shipments this year, considered—Believes Alberta coal commencing with 500,000 tons would increase in subsequent years displacing foreign domestic coals at the rate of 25 per cent—How and where handled, 297-299—Duluth facilities at unloading ore from cars into boats, but such are not used for coal—One ore unloader not now in use at Duluth—There is no tipple at head of the Lakes, 299-302.

CROMBIE, DAVID, Transportation Department, Canadian National Rys.:—Explains Mr. Hungerford's inability to be before the Committee—Basis upon which the \$9 freight rate Alberta to Ontario was arrived at when giving evidence before the Committee in 1923—Corrects a misprint of figures—How tonnage hauls could be improved—Could lower the rate of freight if tonnage hauls were greater, 133-134—Capacity loads and average gross tons—Proportion of tons of coal to gross tonnage on various western sections—When gross tonnage is 1,800, coal would be 1,200 tons, \$9 freight rate was for haul of 1,800 tons of coal—Coal contents would vary on each sub-division, 136-137—Each sub-division or engine-run must have the same grade, 138—Alteration of gross tonnage capacity, necessary to raise tonnage haul from 1,800 to 2,000 tons of coal requiring increase of track structure in strength, and larger units, 139-142—Returning empty cars, 143—Minimum freight rate on coal to the east is \$9—Has given no consideration to rail-and-lake freight, 143-144—Full capacity cars, 36 tons—Number of box cars in the west 36,000—Box cars out of repairs, 12,000, 144—Difference of coal consumption and cost when moving unloaded train as against one that is loaded, 144-145—Train movement on Virginia railway described, 146—*See also* at page 304 for Data *re* census of cars in Western Region.

CUTTLE, FRANCIS TURNER, Canada Steamship Lines:—Operations carrying coal, grain and ore—Freighting coal from Lake Erie ports to Lakes Huron and Superior ports—Freight rates and carrying capacity—Estimate given assuming coal was carried eastward from Port Arthur and Fort William, 147-148—Tonnage of coal carried eastward and westward in 1925—Charges—Unloading facilities and dispatch considered, 149-150—*Recalled and examined for further evidence:*—Rates in 1925 for carrying grain, 156—Number of steamers engaged in carrying coal and grain—Tonnage capacity—Unloading equipment, 156-158—Estimate of cost of unloading—Test shipment of coal, 156-159—Charges when loading and unloading facilities are rapid, 160-162—Cubic capacity of bottoms of coal carriers when provided with self-discharging apparatus—Advantage in having self-unloaders instead of shore equipment in certain cases, 162-163—Contract for large tonnage, considered—What one steamer could freight in one season, 164-165—Freight rates, loading and unloading dispatch, St. Lawrence and Ontario Lake ports, considered, 166-167—Vessel laden with coal, two and a half days' run, Montreal to Toronto—Freight 75 cents per ton for 2,000-ton boat, 166-168.

DOUGALL, JAMES, Representing Canadian Pacific Railway:—Use Crow's Nest and Canmore coals—Describes quality of same—Bankhead mines closed—Stations use Lignite—Briquetting attempted—Hand-picked mining only way—Use of bituminous coal extended this year to Kenora—Canmore not a domestic coal except the Scott mine, owing to percentage of slack—Michel mine of Crow's Nest used for domestic purposes in British Columbia, 87-90—Galt coal at Lethbridge, a Lignite suitable for domestic use—Production a thousand tons a day—Galt coal will resist disintegration for 8 or 9 months under proper conditions—Will not dump—What happens in shipment of Lignite, Lignites run in moisture contents 9 to 14 per cent and some mines higher, 90-92—Proportions of Canadian and American coals used on eastern lines and efficiency value—Opportunity given Nova Scotia producers to supply, 97-98—Lifting and relifting costs—Relative

values of Sydney and American coals—Where compassionate reasons obtain, 99-100.—*Recalled and further examined for evidence*:—Various qualities of Alberta coal described—Report of Alberta Commission quoted from—American coals, prices of, 128-130—Alberta Lignites—Unloading facilities at Fort William—How Alberta coal might capture Ontario markets—Rail and lake shipments considered—British coals described, 131-133.

DOUGLAS, Hon. J. C., Attorney-General, Nova Scotia:—Should endeavour to bring about a real National Fuel policy: "Canadian coal for Canadian consumption"—Two main proposals: Coal converted into coke, and freight rates—Subvention by rebate of freight rate of one-fifth of a cent per ton mile, considered—Subvention applicable to railway haul only, in the past; suggestion follows *re* water haul and increase of amount of subvention—Total Nova Scotia output; proportion of output going by way of railways—Subvention further considered—Cost of Nova Scotia plus freight rate discussed, 186-190.

DRAPER, THOMAS, President and General Manager, McMurray Asphaltum and Oils, Limited, Edmonton:—Describes modern devices used for loading and unloading coal—Produces photo plates of Dumpers, Whirlers and Tipplers, which Mr. Draper donates to the Committee, and describes operations of each—Describes the Brown Hoisting Car Dumper of Cleveland, its cost, cost of installation, etc.—Reads the Company's letter offering to send a representative to the Committee—Breakage of coal considered when loading and unloading, comparing effect of same on American and Alberta coals—Dispatch in through-train hauls, Edmonton to Port Arthur, Edmonton to Toronto and number of trips respectively made, 212-217—Question of empty car movement, considered—Other Dumpers described such as the Revolving Dumper, the McMyler Tipple—Collapsible spout described, 217-219—Boats provided with self-unloaders, and advantages of such equipment—Construction of coal-carrying boats with bins and hopper bottoms—Self-unloader operations described when 6,000 tons are unloaded in four to five hours—The Pringle Barge type described—Invitation extended to the Committee to inspect the Pringle Barge operation; dispatch and low cost of unloading—Tonnage of coal held in full bins in the Pringle Barge type—Unloading charges, five to seven cents per ton—One hundred-ton cars unloaded cheaper than fifty-ton cars—Ten cents per ton would be a remunerative price for unloading a boat on to cars or docks, 219-223—Reads letters of the Morton Salt Company of Port Huron *re* unloading charges from boats to docks with the Mead-Morrison device, 223. The Pittsburg Coal Company, charges for unloading—Clam-shell devices for loading considered, 224. Loading a 10,000-ton vessel on the Great Lakes is a thing of the past owing to lower lake and canal levels because of the Chicago diversion of water—Reference to a Paper read by Geo. E. Titcomb before the Metropolitan section of the American Society of Mechanical Engineering *re* various types of coal-handling equipment—Describes the Ten-ton Crawler Tied Crane, the Type P Crane and cost of operation in unloading, 225-227. Tarpaulins on open loaded cars can be used, if desired—Quotes from Indian-Run Coal Company, West Virginia price of high-grade mine run; also from the Burlington Coal Company, Southern Coal Company, and the United Coal and Coke Company—Gives experience with mixed coal and coke in his home—Very little anthracite used in Michigan, the Middle and Western States for domestic purposes—Rail rate, Alberta to Fort William and water rate Fort William to Lake Erie points, 228-230. (See also at page 326 *re* letter to Mr. Armstrong completing statement as to unloaders).

ELLIS, JAMES A., Fuel Controller for Ontario:—Coal brought to Ontario from Alberta in 1924, 1925—Sale prices at pit-mouth, Saunders Creek, Saunders Ridge, Drumheller and Edmonton last winter—Prices might be reduced in case of a large market in Ontario by 25 cents to 50 cents per ton—Best grade is the largest lump coal—People advised of various grades and not deceived when ordering Chestnut or Stove size—Chestnut disintegrates to slack from shipping point to destination in Ontario, 231-232—List of 258 places to which coal was shipped last winter, submitted (see at page 256)—Distribution—Dealers in large centres given better attention—Orders unable to be filled—Tonnage received was increasing but the \$7 freight rate was discontinued—Ontario could take care of 150,000 at price not to exceed \$11 per ton in Ontario—Would take perhaps three or four years to reach half a million-ton orders—Pocahontas is the only comparable coal to the Albertan, price at Toronto \$12 or \$12.50; is brought in as Bituminous—Market for Alberta coal is in the smaller places preferably—Domestic requirements, three million tons a year—Bituminous supply twelve million tons a year—Duty inevitably charged to the people—Statement *re* importation of coal—Statement *re* prices of Alberta coal, 233-237—Coal situation in 1922 to 1925—American market's loss in Ontario—Would not class Welsh coal below anything, personally—Alberta coal or

coke must be quoted at no greater price than \$2 less than for anthracite—Anthracite in Toronto \$15.25 to \$15.75; Albertan should not exceed \$13.50 to the consumer, 237-239—Some complaints, but nothing that reflects on the Alberta operators—Alberta Government's effort through inspection to assure shipments of very best coal—Some loss in transit by not having used better cars—Complaint about grass in coal, explained, 240-241—Mixing of Illinois slack with Albertan in some instances in Toronto—How to prevent dealers mixing coals and selling it for Albertan or Pocahontas—More deterioration in small size coal than in lump size—Rail rate for coal, Montreal-Toronto, prohibitive—Educational work, what it does—Question of rate on coal Alberta-Ontario now before Board of Railway Commissioners, 242-243—How Alberta could assure shipments of best grades of coal—Saunders Creek highest grade, Drumheller is next—Saunders Creek coal under the biggest freight charge, but Alberta Government paid the difference—Disintegration and high moisture of Alberta coal—Possible tonnage for consumption next winter—Amount of Alberta coal which might displace foreign coal—Price of Anthracite influenced somewhat by strikes, 244-246. (See also at pages 253-255 *re* letters from consumers of Alberta coal; also 255 and 256 *re* Distribution).

FERGUSON, HON. G. H., Premier of Ontario:—Ontario's experience with Alberta coal commencing in the fall of 1924—Tonnage distribution, quality—Verdict of its use, generally speaking, was universally and eminently satisfactory—Problem of transportation cost taken up with Sir Henry Thornton—Ontario government investigated transportation costs with assistance of an actuary and two lawyers—Conclusions arrived at—Mass production and seasonal transportation would combine to make price that Ontario could pay—Application to Railway Commission for a hearing expected in September or October—Amount of anthracite and other coals bought by Ontario—Loss of freight rates chargeable to Consolidated Fund of the Dominion would eventually be repaid from the two Central provinces to the extent of from 80 to 85 per cent—The \$9 rate discussed—Correspondence between the Premiers of Ontario and Alberta and the Prime Minister of Canada *re* freight rate in excess of \$7, 190-193—Questions and replies follow *re* rail and water haul, Ontario's acceptance of half a million or a million tons, coal inspection at shipment points, the original \$7 per ton arrangement, checking out-of-pocket costs and charges for returning empty cars, investigation as to all costs, etc., 194-197.

GZOWSKI, C. S., Chief Engineer of Construction, Canadian National Railways:—Factors necessary to produce a maximum tonnage—Track and car resistance, lighter gradients—Locomotive most efficient at slow speed—Larger power necessitates stronger track and bridges—Virginia railway most efficient freight machine in the world—C.N.R. has a low gradient, generally—Stronger bridges not an element in case under consideration, unless weight of locomotives were increased—What tonnage certain western sections will stand—Grades—Engine divisions—The ideal train haul, 138—Grade at Parry Sound—Would be no object in spending money to get gradients lower than three-tenths of one per cent—What is not considered good practice, 139-140—Produces statement *re* operating expenses per ton mile, etc., 145-146. See also at page 154, freight operating results of United States Anthracite and Bituminous coal carriers, 1924.

HALPIN, W. J., Vice-President, John Heney & Son, Limited, Ottawa:—Gives reasons why there is difficulty in handling Nova Scotia coal at Ottawa—Freight Montreal-Ottawa \$1.30 per ton—Our soft coal business is all in lump coal, practically—Nova Scotia coal used by Government and a couple of manufacturers, principally—Price \$6.30, Ottawa compares with high-grade American $\frac{3}{4}$ lump—Coal that is suitable to Ottawa trade—Relates an instance of coal scarcity in 1917—Retail price of Egg, Stove and Chestnut—Proportion of charges in handling, 247-251.

HARRINGTON, HON. G. S., Minister, and Norman McKenzie, Deputy Minister, Public Works and Mines, Nova Scotia:—Essential that in Canada a National Fuel policy be worked out, having for its aim and object the production within Canada of the coal we consume in Canada—Amount produced and consumed—Disadvantages in cost of production—Factors that enter into higher cost of production—Ratio of protection heretofore obtained, now lost—Production costs years ago and at the present time, average of—Production per man now greater—Ad valorem rather than specific basis of duty, preferred—Reads statement of Nova Scotia Premier presented in winter of 1924 to Federal government asking re-adjustment of tariff provisions, 263-267—Suggestion to Nova Scotia in 1925 *re* assistance to be given on coal shipments to Montreal correspondingly to assistance given Alberta on coal shipments to Toronto, and what the Dominion government then offered—Witness requested to state his own views by way of solution—Capital investments in coal producing plants, number of men employed at mines and in steel manufacturing industry—Loss of ratio of protection—How United States' excess found a market in Canada at cheaper selling price than home coal—Lower price at pit-mouth than that for home consumption and preferential freight rates on

shipments to Canada—Unfair competition and results of, on Canada's investments in plants—Reasons why problem should be taken out of sphere of provincial consideration—Without domestic competition, we should suddenly find ourselves at mercy of United States producers—A flourishing condition of home coal production would inure reciprocally in farm produce and manufactured goods with rest of Canada—Increasing Nova Scotia's production to 8,000,000 tons would hold the mines together and probably reduce cost of production—Solution of problem believed to be: governmental assistance to coking plants, reasonable subvention, revision of duty, etc.—Subvention of 1924-25, considered—Slack coal becoming far more valuable asset than it used to be—Is opposed to the non-duty principle on coal imported for bunkering purposes; no corresponding advantage—Drawback of 99 per cent on coal used for coking and metallurgical purposes should not be allowed—Suggest Committee consider the imposing of duty on coal coked abroad and carried to Canada as coal—Suggest a duty be applied to anthracite screenings that enter Canada and that preference be given to the use of Canadian coke in the Ontario markets—Anti-dumping clause not adequate to assist in Nova Scotia—Letter of Fuel Commissioner, Alberta, Mr. Howard Stutchbury to Vice-Chairman Mr. Bury, *re* "Coal Sales Act" and additional duty of ten cents per ton on bituminous coal, considered, 268-279.

HOTCHKISS, C. P., Executive Secretary, Dominion Fuel Board:—What the Dominion Fuel Board is accomplishing—Conclusion arrived at *re* western industrial coal east of Winnipeg—Competitive rates *re* American and western coal at Winnipeg, and amount imported at head of the lakes, 38-44—How far easterly Canadian industrial coal from the west could be carried—Concludes general statement, 45—Fuel Board now investigating laid-down costs of American industrial coal in area between Montreal and Toronto—Consumers anxious to favour Canadian industrial coal, 46—American coal preferred for the production of gas—Maritime steam coal shipments to Ontario points, considered—Canadian Pacific Railway's use of Canadian and American steam coal, 46-47—Tonnage of Cape Breton coal now reaching Ottawa, 47—Canadian National Railways using Pictou coal for special purpose—Inverness coal, considered—How Maritime coal usage could be further extended westward, 48-49—Freighting charges, Sydney to Montreal—Harbour dues and other charges at Montreal and Toronto, 49-52—Instances of Norwegian boats freighting coal to head of the lakes without trans-shipment at Montreal, 52-53—Loading and unloading charges—Facilities, etc., 54-57—*Re-called and further examined for Evidence*,—United States Customs Regulations, Tariff Item 1548 *re* foreign coal entering United States for bunkering purposes—Reciprocal arrangement regarding coal duties and how far reciprocal principle goes—Average annual tonnage of coal delivered to foreign-going vessels at eastern Canadian ports; total Canadian, 319,080, total American, 32,920—Believes Canada Steamship Lines coal at Port Colborne and Montreal with coal which has come in bond—Inland navigation companies can bring in American coal and use it for bunkering purposes without paying any duty, 317-320—Domestic coal, Coke and Coke-ovens—The Hamilton Coke-ovens doubling their capacity, 320-322—The Rochester (N.Y.) coking plant—Coke is a growing competitor as against anthracite—A ton of coke competes in efficiency with a ton of American anthracite—American coke coming into Ontario—The Buffalo coking plant, 322—Explains the workings of the Draw-back on coal imported for coking—How the Buffalo coking plant can profitably compete in Canada with the Hamilton Coke-ovens—Points out some results and suggests a remedy—Montreal Gas Company use American coal and pay duty—What the consumers Gas Company of Toronto do, 323—Some assistance required to meet competition at Toronto—What the effect would be if the 99 per cent Draw-back on American coal for coking purposes were removed—Canadian and American coal meet on an equal basis at Montreal but not at Toronto, 323-325—For testing purposes *re* breakage of Alberta coal at port of discharge, Toledo possesses the required equipment—Explains how German coal and German briquettes are handled for export on the Rhine, when very little breakage follows in the operation, 325—Explains the Dumping duty in the American and Canadian Tariff and Regulations, 327—Buck and Pea anthracite imported into Canada for industrial purposes pay no duty, 329—Reads Memorandum respecting unfair competition *re* steam sizes American anthracite meeting native industrial coal in Ontario and Quebec markets, 329-330—Gives explanation of the difference of freight rates regarding North Bay, Timmins, etc. in Freight Rate Schedule, 330-331—The Crow's Nest Pass situation regarding changes in Tariff since over 50 per cent of production is exported to United States—Toledo loading equipment very fast; charges are from 5 to 8 cents per ton, 331—*See also* at page 328 for section 6, Customs Regulations (Canada), 1907, *re* Dumping, and at page 348 for section 316 United States Tariff Act *re* Dumping. *See also* Mr. Bury's suggestion that Mr. Stutchbury be advised to go to Duluth and Toledo to examine equipments for loading, page 326.

JELLIFF, L. H. (M.P.):—Marketing problem of coal in Alberta and fuel problem in Ontario—Appeals for consideration to be given respecting Lethbridge coal areas should trial shipments to Ontario be made, 314—Chemical analysis of Lethbridge coal—Quality of coal of the Highwood and Cat Creek areas, considered to be exceptionally good coal, 315-317. (See also statement page 318 *re* Analysis of samples of coal of Lethbridge area).

McCOURT, E. FRED., President, Canadian Industrial Coal Co., Montreal:—Extent of operations as importers of Scotch anthracite—Other dealers importing—Efficiency of Welsh and Scotch coals as compared with American anthracite—Average freight rate—Cost of handling—Wastage, 58-60—Prices—Unloading, 61-62—Scotch coal at Ottawa, price and rate of freight Montreal-Ottawa—Freight Montreal-Toronto—Transfer cost at Montreal, 63-64—Unloading, transfer and shipments, Montreal to lake ports considered—Extent of Scotch coal output—Quantity imported and prices ^{29 1/2} pearl and domestic sizes, 65-66.

McKENZIE, NORMAN, Deputy Minister of Public Works and Mines, Nova Scotia:—*See* with evidence of Hon. G. S. Harrington, 263-279.

McWILLIAMS, R. H., Stone Quarry Operator, Owen Sound:—*See* with evidence of A. J. Creighton and R. H. McWilliams, 285-302.

NEILL, A. W. (M.P.):—Describes mining of coal, extent of, etc., in three areas of Vancouver Island—Tests of Comox coal by the British Navy—Japanese vessels also load same—Revenue and tonnage—Fuel oil, imported, competing with coal production—American fuel oil producers notified their British Columbia customers there would be an embargo set up after a period of three months from a certain date; what followed after notification—Coking-ovens, considered, 169-171—Wholesale price of coal at the mine—Duty on fuel oil—Certain companies depending on United States for fuel oil—Position *re* coal and oil, a unique one—Tariffs on coal really reciprocal—Export of coal from British Columbia to United States decreasing—Grievance *re* sub-Bituminous imported from United States as Lignite—Lignite defined—Suggests change of definition for Lignite, 172-175—Grievance *re* free duty on bunker coal, and extension of facilities for handling same at Vancouver Harbour with Government money—Objects to our money being used to stimulate trade that will surely ruin our mines—Foreign coal under Customs Regulations coming in as bunkering coal and paying no duty, considered, 175—Coal from China, Japan and San Francisco brought in as ballast—British Columbia's main grievances *re* coal and fuel oil, summed up, 176-177—System of loading, most modern—Coal production costly owing to depth of mines and distance—Comox coal preferred on account of its steaming properties—Shipments of coal extended to Mexico, Chili and Peru, considered, 178-179—The Groundhog anthracite coal in northern British Columbia, considered, 178-180.

PRINGLE, JAMES, Assistant General Superintendent of Transportation, Canadian National Railways:—*See* with evidence of D. Crombie, 133-146.

RICHARDS, HON., CHARLES D., Minister of Lands and Mines, New Brunswick:—Feels that the advantages which would accrue by assistance in the way of freight rates would more than offset the hardship which might be felt by a contribution from some provinces—Believes the problem now under consideration affects Canada as a whole—The endeavour to stimulate and develop our own industry is vital to the whole Dominion—Would suggest the name of Mr. A. D. Taylor who is familiar with technical details and working conditions also regarding the fuel value of Minto coal relatively to certain foreign coals—Extracts from official report *re* prices of coals, 1925—Deposit of coal, ample—With a large output, cost could be materially reduced—Freight rates, 200-202.

SMART, I. V., Operating Engineer, Canadian National Railways:—*See* with evidence of D. Crombie, 133-146.

TAIT, SIR THOMAS, President, Minto Coal Co.:—Subvention of one-half cent per ton of coal per mile granted by the Dominion, in 1924 in competitive localities—Maximum of subvention fifty cents per ton—Amount of grant used out of total sum voted—Emergency exists at present time—Maximum allowance should be increased—Would assist Alberta coal also Canadian National Railways and Maritime provinces—Immediate and substantial aid is necessary to keep the coal industry of the Maritime provinces alive, 257-258.

VAUGHAN, R. C., Vice-President and Chief Fuel Officer, Canadian National Railways:—Coal from Maritime provinces brought by water to Lévis from Montreal for use as far west as Ottawa, Brockville and Cochrane zones—Tonnage of Maritime coal used—Use of Canadian coal extended to Portland zone this year; have to pay duty on same, 67-68—Consumption of American coal between Ottawa, Brockville and Cochrane westerly

as far as Winnipeg—Toronto and central section use American coal—Water route of coal from Black Rock to Midland, Depot Harbour, Key Harbour, Port Arthur, Fort William and Duluth—Alberta coal from Winnipeg westerly, 69-70—Alberta Lignite used only at stations and for boilers—Bituminous for locomotives furnished by Brazeau, Mountain Park *via* Coalspur Branch—Vancouver Island coal used as far as Kamloops—Prices of Alberta, American and Maritime coals compared—Western coal cannot compete with American at divisional point east of Winnipeg, 71-72—Freight rates from Lake Erie ports to Lake Huron and Georgian Bay ports vary—C.N.R. mines operations in United States discontinued due to lower cost of U.S. coal to Fort William, 73-74—Relative values of coals used—Coal inspection, 75-76—Tonnage of train hauls—Modern equipment for loading and unloading—Surplus of box cars in the west—Movement of domestic coal from Alberta to eastern Canada—Moisture in Drumheller coal—Competitive rates, 77-78—Buying coal at Niagara frontier—Wages, a determining factor—Production per man greater in West Virginia than in Canadian mines, 79-80—Greater train hauls considered—Dumpers—Movement of coal in eastern Canada, 81-83—See at pages 152-153, Letter and Table showing approximate annual coal consumption, and also approximate annual coal consumption on Canadian lines only.

WATTLES, F. M., Vice-President, Century Coal Co., Limited, Montreal:—Extent of operations—Lowest rates chargeable for unloading coal with modern machinery—Rate West Virginia to Hampton Roads—Type of vessel governs certain charges as between 9 and 14 cents per ton—Freight rate from Lake Erie ports by boat to Lake Superior and Michigan ports—Unloading device described—Rate charged for unloading at Port Arthur—Freight rate from Sandusky to Port Stanley, thence to London; Lake Erie ports to Midland—Estimate of cost of unloading at Toronto with modern machinery—Car dumper used in unloading causes less breakage—Cost of up-to-date unloading device, installation of, etc.—Actual labour cost of operating the device—Extent of disintegration of coal through handling would lessen value 25 cents a ton over the whole tonnage 202-208.

WOLVIN, ROY M., President, British Empire Steel Corporation:—Extent of coal mining operations—Quality—Coking properties—Distribution and cost of production, considered—Condition of mining operations described—Percentage of coal taken out of mine and percentage used for pillar supports—Long hauls and long pipe lines—Possibility of maintaining uniform cost later—How present duty on coal works out—Anthracite screenings brought into Canada free of duty compete with Canada's slack coal output for Canadian market—Railroads interested to some extent, but prefer to sell the freight and bring coal into Canada—Bunker coal admitted free of duty—Suggestions *re* legislation, considered—Coke-ovens for Nova Scotia coal, considered—Makes good coke; might be improved with a small mixture of American coal—Increase of dockage rentals at Montreal—Transportation—Tonnage capacity now operated in shipments—Rate of freight to Montreal—Transfer rate—Grain carrying ships, 100-102—With proper docks at Montreal coal could be moved to Toronto at rate of 40 cents per ton—Proper unloading equipment needed at Toronto—Sydney to Toronto freight \$1.40 per net ton—Must have volume—Coal business is seasonal—Banking coal is expensive—Winter operations more expensive—Greater use of coke will be gradual—Price of coke \$2 to \$4 per ton cheaper than anthracite at Montreal—States there is more value in a ton of coke than in a ton of anthracite, 103-104—Inducements that might lead capitalists to go into the coking business—Cities where coking plants could be profitably established—By-products in coking coal would be more profitable in cities than at Sydney—Suggests trans-shipment at Montreal for Ontario lake ports—Carriage expense at Sydney, 105-107—Cost of discharging facilities at Toronto and Montreal—Comparative wage rate of employees, Sydney and United States—Mining conditions, Virginia and Sydney—Statement showing increase of production per shift and per man, and showing comparison with that of other countries, 108-109—Each time a mine is opened we are governed by the quality of the coal and the cheapness of it—Proportion of all coal produced in the east by our corporation—Tonnage of coke shipped *via* St. Lawrence, this year—No duty on coke—Could compete at Toronto with some assistance—Carriage rate of coke greater—Suggests a duty on coke of \$1.50 per ton, 110-111—Proper place to produce coke—Average cost of coal at pit-mouth—Delivery price alongside docks at Montreal 112-113—C.P.R. do not buy Sydney coal—American coal brought to Montreal—Weighing method, 114-115—Bunker coal at Montreal port—Proportion of slack in mining operations, Sydney—Iron and steel industry—High grade slack for metallurgical purposes—Would rather not give rentals at Montreal—Regular rate per annum 10 cents per square foot—Can bank 125,000 tons under arrangement with C.N.R.—Price of coal ex-dock at Montreal \$5.50—Price screened coal ready for household use, local requirements, \$6—Wholesale at Montreal, 115-117—Inverness coal, considered—Survey of gas situation in Ontario and Quebec—Approximate cost of a coking plant in a large city, 116-118.

INDEX OF COMMUNICATIONS CONSIDERED AND DATA SUBMITTED RELATING TO EVIDENCE

BRAS D'OR COAL COMPANY, per George B. Burchell:—Statement of Operations, 1922-1926—Shipments, 1925, 305-306.

BRITISH EMBASSY, WASHINGTON, per External Affairs:—Telegrams *re* Regulations, foreign coal for bunkering ocean-going craft, 308, 318.

BROWN HOISTING MACHINERY CO., CLEVELAND, by Thomas Draper:—Possibilities of their Car Dumpers for unloading coal, 214.

BROWNLEE, J. E., Premier of Alberta, by the Chairman:—Telegram *re* Prices of coal at pit-mouth of Alberta mines, etc., xiv. (See Minutes of proceedings of June 21st).

BYRNES, P. V., Hamilton By-Product Coke Ovens, Limited:—Letter in reply to Committee's invitation to give evidence, that building operations take up his time completely, 209.

CAMSELL, CHARLES, Deputy Minister of Mines:—Statements submitted, namely:

1. Semi-anthracite deposits of the Groundhog area of British Columbia, 333.
2. Iron ore rates from Duluth, Ashland and Marquette to lower Lake Erie ports, 333.
3. Areas in Alberta from which coal should be obtained for the domestic market of Ontario, 333.
4. Depreciation in weight of some western coals when exposed to the atmosphere, 334-5.
5. Coal areas on the west coast of Cape Breton, 336.
6. Bills introduced in the United States Congress relating to embargo on anthracite coal, 337.
7. Coal production per man per day, 338-9.
8. Smokeless coals of West Virginia, 339.
9. Coal mergers in United States, 341-343.
10. Average price of Canadian coal at mines in Canada, 341.
11. Sources of supply and distribution (chart), 350. (See also map, p. 345, showing coal fields in Canada and United States).

CANADIAN NATIONAL RYS.: By R. C. Vaughan, Vice-President:—Letter and Data *re* approximate amount of coal consumed, Canadian, British and American, 152-153—By C. S. Gzowski, Chief Engineer of Construction: Statement showing Freight Operating results of U.S. Anthracite and Bituminous Coal Carriers, 1924, 154—By D. Crombie, Chief of Transportation: Census of box cars and cars in bad order; also statement *re* coal consumption for loaded and empty trains, Western Region, 304.

CORNELL, F. C., Traffic Manager, Maritime Provinces Committee:—Extracts of Sir Sandford Fleming's History of the Intercolonial Railway, 1876, 280.

CREIGHTON, A. J., Coal Merchant, Owen Sound:—Letter *re* Coal Situation in Owen Sound district, 209.

DRAPER MANUFACTURING CO., Petrolia, per Thomas Draper, submitted to Mr. Armstrong, M.P.:—Letter *re* Self-Unloaders in use at Port Huron, by the Limestone Transportation Company, at the New Egyptian Portland Cement Company, 326-327.

ELLIS, J. A., Fuel Controller for Ontario:—Data *re* Coal consumed in Ontario during the coal year, 1925-1926; also prices of Alberta coal, 236-237—Extracts from letters from consumers of Alberta coal, 253-255—Statement showing distribution of Alberta coal, and places to which Alberta coal was shipped, showing also the number of cars sent to each place, 255-256.

HARRINGTON, HON. G. S., Minister of Public Works and Mines, Nova Scotia:—Reads "History of the Coal Duty" as presented by a delegation from Nova Scotia to the Federal government in the winter of 1924-1925, 266-267.

HENEY & SON, (JOHN) LIMITED, OTTAWA, by W. J. Halpin:—Statement of Operations, 1925-26, 247.

HOTCHKISS, C. P., Executive Secretary, Dominion Fuel Board:—Respecting Canadian Customs Tariff and Regulations *re* Dumping Duty, 328—Memorandum to Chairman of the Board, *re* Imports of anthracite screenings competing with native industrial coal, 329-330—Respecting United States Tariff Act, *re* Dumping Duty, 348-349.

INTERCOLONIAL COAL MINING COMPANY, per Wm. Maxwell:—Statement of Operations, 1925, 307.

JELLIFF, L. H. (M.P.):—Submits copy of Analysis of Alberta coal (Lethbridge area), 318.

MORTON SALT COMPANY, Port Huron, Mich., by Thomas Draper:—Letters *re* cost of unloading using Mead-Morrison unloading device with a three-ton clam, 223.

SCHUSTER COAL COMPANY, Belleville:—Letter from W. E. Schuster, President and General Manager, *re* possibility of handling Nova Scotia coal, if freighted by water—States that coke is a high grade domestic fuel, and in many cases is preferred to anthracite, 210.

SOWARDS COAL COMPANY, Kingston, per John F. Sowards:—Statement of Operations—Prices of American coal imported, also Freight rates, 210-211.

GENERAL INDEX

- ALBERTA'S MARKETING PROBLEM OF COAL:** *See* Jelliff (M.P.), L. H., 314-317, 318; also Cooté, (M.P.), G. G., 316-317; also Telegram of Premier Brownlee of Alberta, xxiv.
- BRAS d'OR COAL COMPANY:**—*See* Burchell, George B., 258-263, 305-306.
- BRIQUETTES AND BRIQUETTING:**—*See* Dougall, James, 88; also, Craig, Hon. W., 198-200; also, Creighton, A. J. and R. H. McWillimas, 286, 289-290.
- BRITISH COLUMBIA PROBLEM OF MARKETING COAL:**—*See* Neill (M.P.), A. W., 169-180; also, Camsell, Charles; also, Dougall, James.
- BRITISH EMPIRE STEEL CORPORATION:**—*See* Wolvin, Roy M., 100-118; also references to, 9, 10, 26, 28-29, 67-68, 83.
- BROWN HOIST MACHINERY—UNLOADING:**—References to, in evidence, 62, 65, 213, 214, 218.
- CANADIAN GOVERNMENT MERCHANT MARINE:**—Tonnage and suitability of, as Carriers, 23, 24.
- CANADIAN IMPORT COMPANY:**—*See* Aird, Harry, 16-38.
- CANADIAN INDUSTRIAL COAL COMPANY:**—*See* McCourt, E. Fred, 58-66.
- CANADIAN NATIONAL RAILWAYS:**—Evidence respecting Coal supply, Divisional distribution, Train hauls, etc.—*See* Vaughan, R. C., 67-83, 152-153; also, Crombie, David, 133-146, 304; also, Gzowski, C. S., 138-146, 154.
- CANADIAN PACIFIC RAILWAY:**—Evidence respecting Coal supply, Divisional distribution, etc.—*See* Britt, Thomas, 83-100; also, Dougall, James, 87-92, 97-100, 128-133.
- CANADA STEAMSHIP LINES:**—Evidence respecting Transportation, Coal,—*See* Cuttle, Francis Turner, 147-150, 156-168.
- CENTURY COAL COMPANY, LIMITED:**—Evidence respecting Transportation, unloading operations, etc.—*See* Wattles, F. M., 202-208.
- COAL:**—Evidence respecting,—
Alberta,—5, 6, 10, 15, 41, 45, 70, 71, 87. *See* also Buchanan, Wm., 119-127; also, Ellis, James A., 231-246, 253-255, 255-256.
American steam cost of,—42.
Anthracite area in British Columbia,—2; at Banff, 3.
Banking of,—75, 76, 86.
Blending of,—7.
Breakage in handling,—19, 25, 26, 90.
British anthracite,—39, 59.
British Columbia,—2, 71, 85, 90; *See* also Neill (M.P.), A. W.
Bunker, and Bunkering,—*See* Hotchkiss, C. P.; also, Neill (M.P.), A. W.
Canmore, 87-89.
Car Capacity,—76, 79, 82.
Charges for, loading of,—3, 34, 36-38, 51, 54, 73—Unloading of, 3, 17, 20-22, 26-28, 32, 34, 36-38, 42, 51, 54-55, 59, 61, 62, 73. *See* also Cuttle, Francis Turner; also Wattles, F. M.
Delivering charges in city,—33-34. *See* also Buchanan, Wm.
Deposits of, in N. America,—344.
Distribution,—350.
Drumheller,—4-6, 56, 71, 78, 88, 91.
Dumping of,—42, 73, 76, 82, 90. *See* Draper, Thomas.
Duty on,—40, 42, 45, 68, 70, 74.
Equipment for loading or unloading of,—3-4, 17-19, 22-23, 25, 28, 77, 80, 82. *See* also Draper, Thomas.
Export of,—68. *See* also Neill (M.P.), A. W.
Facilities for unloading of,—at Kingston, 18; at Toronto, 25; at Montreal, 28, 62; at Hamilton, 50; at Toledo and Newport News, 54.
Friability of,—26, 65, 66, 89.
Harbour dues on,—20, 27, 52, 55, 59.
Import of foreign,—2, 7, 11, 39, 43, 58, 60, 62.
Inverness,—10, 14, 48. *See* also Burchell, Geo. B.
Moisture in,—5, 6, 34, 71, 98.

New Brunswick,—40, 67, 92. *See also*, Baxter, Hon. J. B. M.; also Richards, Hon. Charles D.; also, Tait, Sir Thomas.

Nova Scotia,—7, 8, 10, 12-17, 29, 30, 40, 41, 47, 67-69, 71, 82, 83. *See also*, Douglas, Hon. J. C.; also, Harrington, Hon. G. S.; also, Wolvin, Roy M.

Pennsylvania,—deterioration of, 2.

Pictou,—48.

Price of,—at Pit-mouth of mine, 6, 14, 15, 17, 42, 45, 61, 74, 91. *See also* telegram of Premier Brownlee of Alberta, xxiv.

Production of,—1, 7, 11, 16, 45, 66, 80. *See also*, Wolvin, Roy M.

Proposing embargo legislation as to shipments of, to Canada, 11. *See also* Hotchkiss, C. P.

Quality of,—2, 7, 59, 62, 71. *See also*, Buchanan, Wm.; also, Ellis, James A.; also, Britt, Thomas.

Saskatchewan Lignite,—43.

Scotch anthracite,—23, 58, 62.

Storing of,—34, 38, 55, 59, 73.

Trans-shipment or re-shipment charges,—17, 20, 21, 27, 34, 50, 64, 70.

Volume of Tonnage and despatch, a factor *re cost*,—22, 26-29, 32, 35, 42, 70.

Wastage of,—8, 59, 60.

Welsh,—60, 62, 63.

COKE AND COKING OVENS:—References to, 7, 8, 10, 13, 80, 81, 84, 320-323. *See also*, Baxter, Hon. J. B. M., 184, 185; also, Creighton, A. J. and R. H. McWilliams, 289, 290; also, Douglas, Hon. J. C., 186-190; also, Draper, Thomas, 229, 230; also, Harrington, Hon. G. S., 277-279; also Neill (M.P.), A. W., 170-171; also Wolvin, Roy M., 101, 102, 110, 111.

CONFERENCE OF PREMIERS AND DEPARTMENTAL MINISTERS:—*See* Baxter, Hon. J. B. M., Craig, Hon. W., Douglas, Hon. J. C., Ferguson, Hon. G. H., and Richards, Hon. Charles D., 181-202. *See also*, Harrington, Hon. G. S., 263-279.

DEVICES FOR LOADING OR UNLOADING, MODERN:—*See* Draper, Thomas.

DOMINION FUEL BOARD:—*See* Camsell, Charles, 1-16, 309-314, 322-347, 350; also, Hotchkiss, C. P., 38-57, 317-331, 348. *See also* map and chart, showing coal deposits in North America—Supply, distribution and importations of coal, 344, 350.

FUEL OIL:—*See* Neill (M.P.), A. W., 169-177.

FUEL PROBLEM IN CANADA:—Evidence respecting information obtained by Dominion Fuel Board,—Camsell, Charles, 1-16, 309-314, 322-347; also Hotchkiss, C. P., 38-57, 317-331, 348; *See also* Conference of Premiers and Departmental Ministers.

GAS PLANTS:—American coal preferred at, Mr. Hotchkiss, 46. *See also* Montreal Light, Heat and Power Co.

GRAIN OR COAL CARRIERS:—Tonnage equipment and possibility of tonnage for canal navigation, 23-25—Norwegian Steamers, 53.

LONDON (ONTARIO) FUEL SITUATION:—*See* Buchanan, Wm., 119-127.

McMYLER TIPPLE DEVICE:—*See* Draper, Thomas, 217-219.

MANITOBA, SASKATCHEWAN AND WINNIPEG FUEL SITUATION:—*See* Craig, Hon. W., 197-200; also, Hotchkiss, C.P., 38-44.

MONTREAL AND QUEBEC FUEL SITUATION:—*See* Aird, Harry, 16-38; also, McCourt, E. Fred, 58-66; also, Hotchkiss, C. P., 49-52, 323; also Wolvin, Roy M., 100-118.

MONTREAL LIGHT, HEAT AND POWER COMPANY:—Gas making with foreign coal, 30-31.

MEAD-MORRISON DEVICE AND REVOLVING DUMPER:—*See* Draper, Thomas, 217-219.

NATIONAL FUEL POLICY:—*See* Douglas, Hon. J. C.; also Craig, Hon. W.; also, Harrington, Hon. G. S.

NEW BRUNSWICK COAL SITUATION:—*See* Baxter, Hon. J. B. M., 181-186; also, Richards, Hon. Charles D., 200-202; also Tait, Sir Thomas, 257-258; also, Cornell, F. C., *re* Transportation rates, 279-284.

NOVA SCOTIA COAL SITUATION:—*See* Douglas, Hon. J. C., 186-190; also, Harrington, Hon. G. S., 263-279; also Burchell, Geo. B., 258-263, 305-306; also, Wolvin, Roy M., 100-118; also, Cornell, F. C., *re* Transportation rates, 279-284.

ONTARIO FUEL SITUATION:—*See* Ferguson, Hon. G. H., 190-197; also, Ellis, James A., 231-246, 253-256; also, Creighton, A. J. and R. H. McWilliams, 285-302; also, Cuttle, Francis Turner, 147-150, 156-168; also, Wattles, F. M., 202-208; also Draper, Thomas, 212-230. *See* also, Camsell, Charles, and Hotchkiss, C. P.

OTTAWA FUEL SITUATION:—*See* Halpin, W. J., 247-251.

OWEN SOUND FUEL SITUATION:—*See* Creighton and R. H. McWilliams, 285-302.

RAILWAYS.—Canadian and Foreign Coal Supply—Divisional Distribution—Transportation—Train Hauls—Rails and Grades,—*See* Canadian National Railways; also, Canadian Pacific Railway.

SUBSTITUTE FOR AMERICAN ANTHRACITE:—What constitutes the best substitute,—Mr. Camsell, 12—Coke ovens suggested, Mr. Aird, 30. *See* Coke and Coking Ovens.

TEN-TON CRAWLER AND TYPE P CRANE DEVICE:—*See* Draper, Thomas, 225-227.

TORONTO FUEL SITUATION:—*See* Ellis, James A., 231-246.

TRANSPORTATION CHARGES, SPECIFIC:—

American mines to Ottawa,—32.

Buffalo and Cleveland to Port Arthur and Fort William, 3.

Cape Breton to Montreal,—32-34; to Toronto, 53.

Crow's Nest to Winnipeg, 42.

Duluth or Fort William to Winnipeg, 42.

Lake Erie Ports to Port Arthur and Fort William, 73.

Montreal to Cornwall,—17, 20; to Kingston, 18, 19; to Ottawa, 32, 63, 248.

Niagara to Toronto (rail), 70.

Oswego and Fairhaven to Kingston, 21.

Pennsylvania to Ottawa,—31, 32; to Timmins, 57.

Pittsburg to Ottawa, 32.

Scotland to Montreal,—59, 61.

Sydney to Montreal,—4, 8, 9, 26, 28, 32, 49; to Toronto, 26, 27, 29.

Sydney to Ottawa, 32.

Swansea to Montreal, 4.

Timmins-Montreal, 57.

Toledo to Duluth or Fort William,—42, 54.

West Virginia to Toledo, 42.

Winnipeg to Fort William, 44. *See* also Cornell, F. C.; also Creighton, A. J.; also Crombie, David; also, Cuttle, Francis Turner; also, Ellis, James A., Ferguson, Hon. G. H.; also, Wattles, F. M.; also, Wolvin, Roy M. *See* also pp. 346-347.

TRANSPORTATION, MARITIME PROVINCES, WESTWARD:—*See* Cornell, F. C., 279-284. *See* also, Burchell, George B.; also, Camsell, Charles; also, Douglas, Hon. J. C.; also, Harrington, Hon. G. S.; also, Richards, Hon. Charles D.; also, Tait, Sir Thomas; also, Wolvin, Roy M. *See* also Railways.



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